

  
**WATER**

  
**POWER**

  
**INFRASTRUCTURE**

  
**SMART CITY**

  
**TECHNOLOGY**

  
**SANITATION**

WE  
BUILD  
FOR A  
BETTER  
**INDIA**

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To view the report online log on to

[www.spml.co.in](http://www.spml.co.in) 

SPML Infra Limited is reaching new highs in infrastructure development as one of the leading infrastructure companies. But, what we take pride in the most is the fact that our focus is not just business growth, but building a sustainable business. Having positively impacted millions of lives through invariably fostering access to basic infrastructure necessities such as water, power, and sanitation, we at SPML continue to touch more lives with a renewed resolve:

**By continuing to innovate and develop sustainable infrastructure**

**By renewing our unflinching commitment towards quality**

**By taking on challenges head-on like always and offer innovative solutions**

**By incessantly continuing to preserve and distribute our most precious resource – Water**

**By bringing in more technological advancements in project execution and management with an aim to make it the mainstream power source of the country.**

Because at the heart of it all, we wish to make human lives comfortable. We aim to build for a better India, that is not just advanced but also sustainable.



### VALUES

- Customer orientation
- Wealth creation
- Employee empowerment
- Systems and processes
- Teamwork and cooperation
- Pro-activeness and innovation



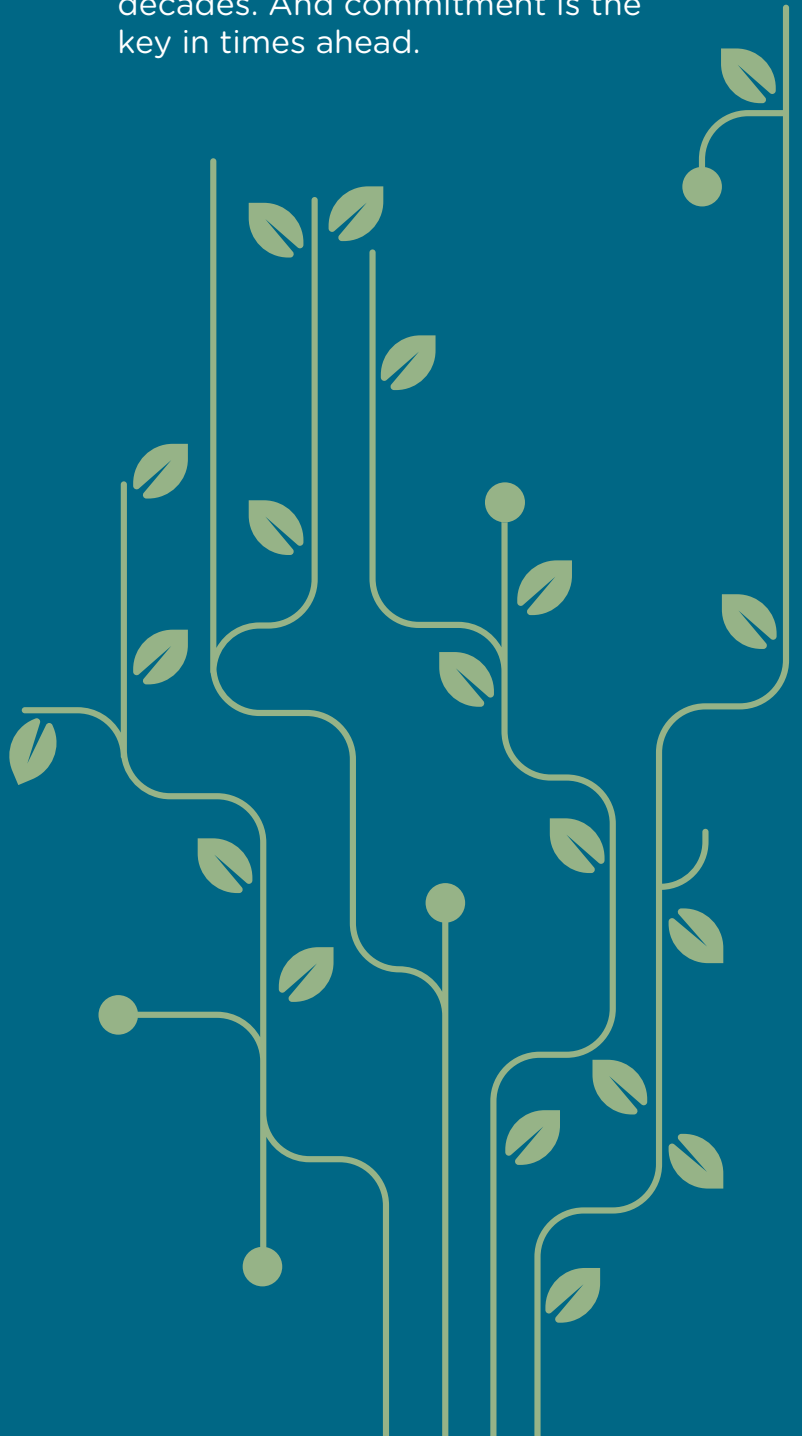
### STRENGTHS

- Execution efficiency
- In-house engineering and design capabilities
- Sector focused
- National presence
- More than 600 projects completed
- Visionary Board and experienced Management Team
- Strong Financial profile
- Rich base of owned construction equipment and fixed assets
- Effective policies and adherence to QHSE
- Long-term support of business associates



### PHILOSOPHY

To us at SPML, success is a measure of promises kept. It is the single most cherished dream in every project that we have decided to undertake. Commitment to the cause is what has driven us in the last four decades. And commitment is the key in times ahead.



## ≡ ABOUT SPML



Being at the forefront of infrastructure development in India, SPML Infra Ltd, has touched lives of millions of people and created significant value for the country, by placing emphasis on sustainable development of smart cities and promoting access to essential services in the water, power and sanitation sector.

SPML Infra has almost four decades of multidisciplinary experience in executing pre-eminent infrastructure for water treatment and transmission, waste water handling, treatment and recycling, solid waste management, power transmission and distribution and civil infrastructure development. Besides the areas of construction and commissioning, SPML has also integrated its strength in depth engineering, process technology, project management, and resource management. This helps SPML to execute projects that set new benchmarks in terms of modern construction and time management.



### **Vision**

Creating with passion and innovation, world class infrastructure to make human life comfortable



### **Mission**

Profitable growth through superior project management, innovation, and commitment to quality

**SPML Infra in a nutshell\*****600+**

Projects executed and completed

Among

**Top 50**

Private Water Companies in the World

**10000+Kms**

Cross country pipeline laid

**50 million+**

Population served with drinking water in India

**800000+**

Households connected to electricity

**20+**

States served in India

**627**

Cities tracked and monitored for effective solid waste management in urban local bodies

**20000+**

Villages connected to electricity

**ISO 9001:2015**

Certified public listed company

**₹5000 crore**




Order Book value

*\*Figures for FY19 and as on March 31, 2019*

# **BUSINESS MODEL**

## Our Value creation process

In line with SPML's commitment to superior quality, we have employed original, unconventional and creative approach in the face of challenges to achieve sustainable growth. In doing so, we have consistently offered innovative solutions that have impressed a range of our customers. We have also successfully developed brand recall, achieved cost competitiveness, strengthened human resource capabilities, and empowered the communities through our corporate ethos.

| Capitals  | Input  | Value Creation Process   | Value Created  |
|---|--|--|--|
| Financial Capital<br>     | <ul style="list-style-type: none"> <li>• ₹ 819.45 lakhs<br/>Equity share capital</li> <li>• ₹ 66,280.09 lakhs<br/>Long-term borrowing</li> </ul> | <ul style="list-style-type: none"> <li>• Manage Cash flow and treasury operations</li> <li>• Improve operational efficiency through internal control systems</li> </ul>  | <ul style="list-style-type: none"> <li>• Increased revenue &amp; profitability</li> <li>• Growth in EPS</li> </ul>   |
| Human Capital<br>        | <ul style="list-style-type: none"> <li>• ~30 Training and development programs conducted</li> <li>• ~800 Employees</li> </ul>                    | <ul style="list-style-type: none"> <li>• Equip employees with adequate skills to carry out operations</li> <li>• Congenial working atmosphere</li> <li>• Establish a culturally diverse workforce</li> <li>• Equal employment and career opportunities</li> <li>• Effectively manage employee performance</li> <li>• Implement health &amp; safety measures</li> </ul> | <ul style="list-style-type: none"> <li>• Successfully on-boarding talents during the year</li> <li>• Engaged team members</li> <li>• Grooming of talented leaders</li> <li>• Increased productivity</li> <li>• Skilled workforce to maintain sustainable, profitable growth</li> </ul> |
| Intellectual Capital<br> | <ul style="list-style-type: none"> <li>• Visionary top management</li> <li>• 39 years of Industry experience among top management</li> </ul>     | <ul style="list-style-type: none"> <li>• Execution of projects by leveraging our expertise and experience</li> <li>• Efficient risk monitoring policy in place</li> <li>• Integrated management information system (IMIS) in place for smart utility management</li> </ul>   | <ul style="list-style-type: none"> <li>• Positive Brand recall</li> <li>• Innovation-driven culture</li> <li>• Efficient operations with relevant policies and procedure</li> </ul>  |

**Capitals****Input****Value Creation Process****Value Created**

Social & Relationship Capital



- Several Community development projects
- Substantial Investment in community development activity (CSR)
- Large number of trusted suppliers

- Build & nurture trust within various teams
- Develop a strong relationship with suppliers
- Consistently create value for shareholders
- Positive & consistent engagement with key stakeholders

- Increased industry participation and engagement
- **BBB-** Credit Rating
- Millions of Lives impacted

Engineering and Technology Capital



- Core team of well qualified engineers
- Technology and innovation experts

- Developed in-house software enabling utilities to take real-time decisions, connecting shareholders with flexible reporting and customized views.
- 33 / 11 kV feeder development & re-conducting works done
- Technologically Advanced 220 kV GIS substation and 500 MVA Autotransformer installed

- Over **10000 km** of pipelines laid up to **3000 mm** diameter, across cities and towns in India.
- Project executed in over **20 states** in India
- **20000+** villages electrified

Natural Capital



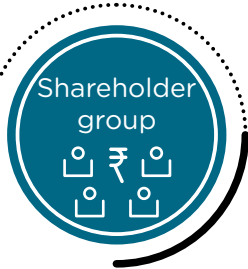
- Water
- Energy
- Fuel

- Focus on optimal resource utilization to develop projects that create stakeholder value
- The strong policy framework to govern EHS practices
- Undertook Tree Plantation for Environment Conservation at project sites across the country
- Spread messages pertaining to the importance of Water, Energy and Environment Conservation via regular mass media campaigns

- **1000+** Tress planted
- **38 MW** Renewable energy generated
- Ethical waste management
- Paper Conservation techniques adopted



# STAKEHOLDER ENGAGEMENT



## Shareholders

provide financial capital for organic business growth

### Our commitment

It is our primary responsibility towards shareholders to deliver an acceptable return on their investment. We are committed to initiate timely and transparent communication to investors.

### Focus Areas

- Financial Return
- Debt-equity ratio
- Cash flows
- Operational excellence
- Margins

### How we engage

- Investors presentations
- Annual report
- Website
- Press release
- Mailers



## Government and Regulators

provide a regulatory framework for fair and transparent business environment

### Our commitment

Large-scale infrastructure projects require government commitment and a strong partnership with the private sector. SPML is committed to regular engagement with the Government in order to ensure a strong relationship.

### Focus Areas

- Tax payment
- Compliance with relevant acts and regulations
- Municipal and local compliance
- National contributions
- Social investments

### How we engage

- Tax returns
- Communication with decision makers
- Regular meetings with relevant authorities
- Monitoring regulatory changes



## Employees

drive performance and offer valuable knowledge for the success of the business

### Our commitment

Employees form the key support system that helps to achieve operational performance and objectives. We appreciate the importance of our people and their key role in achieving the goals through strategy implementation.

### Focus Areas

- Create opportunities for internal advancement
- Healthy and safe working environment
- Fair and equitable treatment
- Effective Communication

### How we engage

- Training and development programs
- Website
- Incentive programs
- Town hall meetings
- Implementation of Lakshya (target and achievement)







### Customers

the foundation of any business' success and principal source of revenue

#### Our commitment

We are reliant on our existing customers and potential customers to sustain revenue generation and growth.

#### Focus Areas

- Project Execution
- Network availability
- High- quality service and solutions

#### How we engage

- Strong brands and value offering
- Providing unique experiences through innovation, flawless execution and continuous improvement



### Suppliers

provides raw materials and services and are an important source of information, advice and trade credit

#### Our commitment

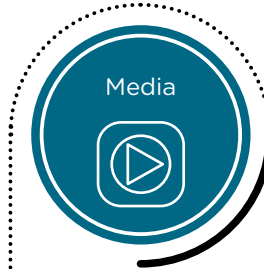
We work towards creating a long-standing relationship with our suppliers and with an aim to conduct business in an ethical, responsible and transparent manner.

#### Focus Areas

- Fair tender process
- Fair payment terms
- Vendor delivery and performance
- Compliance to supplier code of conduct

#### How we engage

- Procurement process and payments
- Interaction in ordinary course of business
- Contractual negotiations
- Regular engagement



### Media

helps to connect with customers, increase brand awareness and provides a boost to leads and sales

#### Our commitment

The media is an important conduit for information about our Company, assisting in brand management, reputation management, and shareholder information.

#### Focus Areas

- Frequent contact with journalists
- Media monitoring and analysis
- Keeping media informed of significant developments
- Respond promptly, accurately and comprehensively to media enquiries.

#### How we engage

- Media interviews
- Media releases
- Ensuring timeous news dissemination while respecting the necessary confidentiality during closed periods.



### Community

create loyalty based on common interests and personal passions and provides growth opportunities

#### Our commitment

Ensuring the support of local communities for the Company's assets to ensure constructive long-term relationships for the mutual benefit of the communities and the Company.

#### Focus Areas

- Safety
- Uplifting the community
- Good corporate citizenship
- Sustainable business practices

#### How we engage

- CSR Initiatives
- Marketing and promotional activities
- A major contributor to the economies of the market we operate in

## CHAIRMAN'S MESSAGE



**SPML achieved a robust performance during the year. Supported by a strong cash flow of ₹ 1,493 crore during the year, we increased our net profit by 15% to ₹ 49.6 crore.**



### Dear Shareholders,

A year has passed, and another exciting year awaits us. FY 2019 has indeed been an eventful year as our business segments performed remarkably well. This is reflected in our strong financial figures that we recorded during the year and I am delighted of the progress we have made so far. Today, we are clearly focused on our chosen markets, winning new business on terms and conditions, which balance both risk and reward. We continued to build our capabilities – people, services and projects – to serve our clients and create the value for our stakeholders.

### On a growth trajectory

During the year, we have seen some economic and political changes in the landscape of the country. The economy grew at a GDP of 6.8%. The country emerged as the fastest growing major economy in the world on the back of digitization, globalization, favorable demographics, and policy reforms. India has the potential to perform better and the Government's focused initiative towards infrastructure development will certainly help in the growth of the EPC industry. The Indian EPC sector has developed substantially in the last few years from dealing with a handful of projects to a multitude of small, large, and complex projects and subcontracts. EPC industry has witnessed consistent changes with increasing project size, scale, and investment. Further, the Government's support has also contributed significantly to the growth of the sector. Successful implementation of schemes such as Smart Cities Mission, Housing for All, AMRUT, Roads, Railways and Renewable Energy generation etc. have brought about significant improvements in the sector.

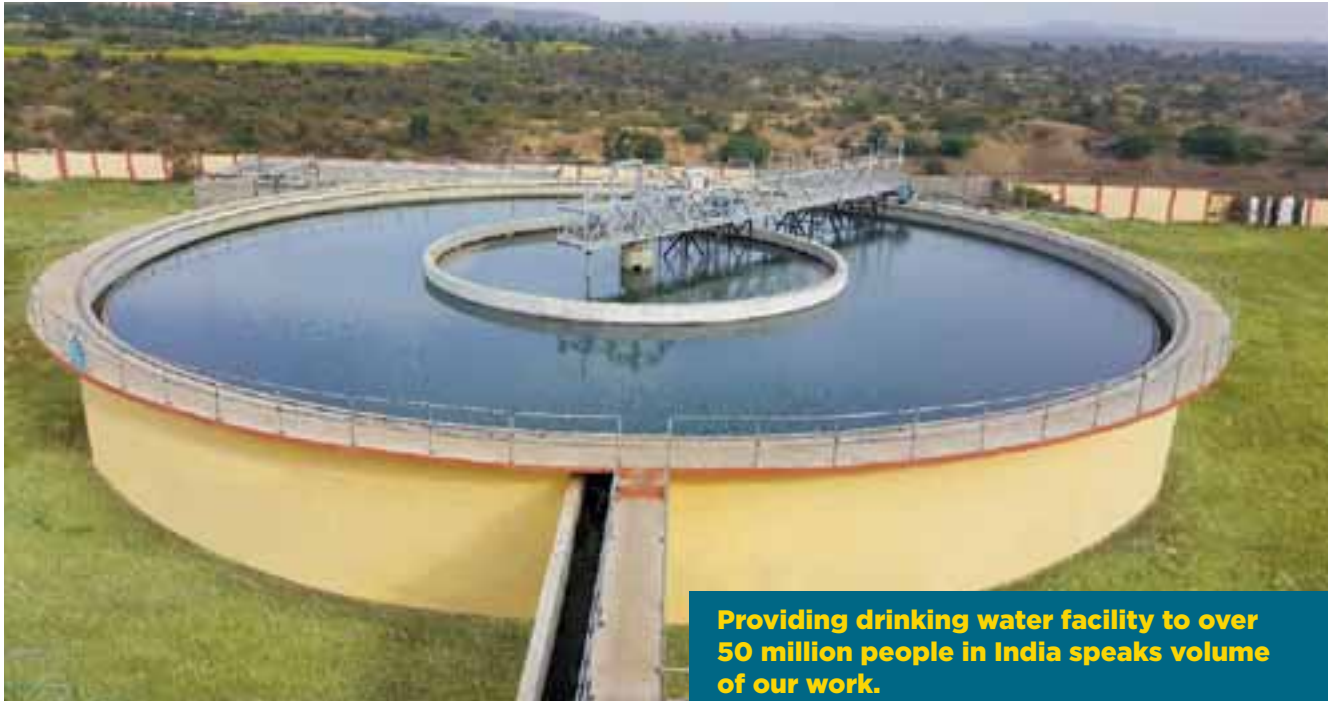
Besides these sectors, the water sector has also made significant progress over the years and has become enormous business segment with growing opportunities. The business is growing in line with the rapidly changing urban face of India and thereby increasing demand for quality water supply and better sanitation services. As regard to the power sector, there has been considerable advancement in the country on account of Government schemes such as SAUBHAGYA, UDAY, UJALA, IPDS, etc. We intend to make a significant contribution on our part by successfully implementing infrastructure projects in these sectors and take our economy forward in terms of advancement.

### Financial performance

SPML achieved substantially strong performance during the year. Supported by revenue of ₹1493.25 crore during the year, we increased our net profit by 15.08% to ₹49.61 crore. As a result, strengthened our balance sheet and further increasing earnings visibility, with the earning per share increased by over 15% on year-on-year basis to ₹13.54 in FY 2019.

Our strong balance sheet, combined with a deep presence in our core sectors and engineering expertise, leaves us well positioned to take advantage of potential opportunities. We maintain a disciplined approach to capital allocation with our focus on value creation and sustainable shareholder reward. Our business remains focused on risk management, generating cash-backed profits and being adaptable to allow management to quickly adjust to changing market conditions. We are now focused on embracing the opportunities that come ahead.





**Providing drinking water facility to over 50 million people in India speaks volume of our work.**

As you will have noted, the financial figures broadly indicate that the Company has been able to navigate through the challenges relatively more effectively than many of our peers in the construction industry. This has largely been due to the strong fundamentals of the Company and the foresight of the management in putting into place a business strategy based on its core competencies.

#### **Our Key projects of FY 2019**

SPML Infra has contributed immensely in developing robust and sustainable infrastructure for water supply, power transmission & distribution, sanitation as well as the construction sector including smart city development across the country. The key highlights from our projects during the year were:

SPML Infra completed the Phase-II of Saurashtra Narmada Avtaran Irrigation (SAUNI Yojana) that was inaugurated by Hon'ble Prime Minister, Shri Narendra Modi along with Shri Vijay Rupani, Hon'ble Chief Minister of Gujarat in April 2018. This ambitious water supply and irrigation project envisages providing drinking water facility to 132 towns and 11,456 villages and irrigation facility to 1.8 million hectare of land in Gujarat. We are happy that after completing two projects under this scheme, we have been trusted by our client with repeat orders and the Company has received large value new order worth ₹723.87 crore to execute the Phase-III of this project. This order has a distinction to be the largest single order received by the Company.

There is a real challenge being faced by the water utilities in India and globally as a consequence of increased urbanization, higher demand, increased prices and ageing & dilapidated distribution networks in the

non-revenue water (NRW). The high percentage of non-revenue water in Indian cities results in huge volumes of treated water being lost during transmission and distribution that affects the financial capability of water utilities through lost revenues and increased operational costs. SPML Infra helped significantly in reducing non-revenue water under UFW Project in Bengaluru by using innovative technology of helium leak detection to accurately identify and locate hidden leaks in large and small pipes. The NRW reduced significantly from 56% to 27% thus saving about 40 million litres of drinking water per day. The water saved from the project will be used to provide drinking water facilities to 110 villages and the extended colonies of Bengaluru.

The Company also completed the water supply projects in Gagreen and Pokhran in Rajasthan that has helped us in providing drinking water facilities to over 900 villages and several towns. Our urban water supply projects in Delhi and six cities of Karnataka is progressing and more than 1.2 million people are going to be benefitted with clean drinking water facilities.

Our power sector business also showed good results as the Company has completed a number of technologically advanced power transmission, distribution and substation projects in different states of India. Some of the prominent projects that the Company completed last year includes 220 kV Gas Insulated Substation (GIS) in Alipurduar, West Bengal; 400 Kv - 500 MVA Autotransformer and 220 kV Line Bays for the extension of 400/220 kV Substation in Sikar, Rajasthan and Mainpuri, Uttar Pradesh; 220 kV Grid Sub-Station of power supply augmentation project in Ratu, Jharkhand; 400 kV twin moose transmission line between Chittorgarh and Bhilwara in Rajasthan with





**Connecting more than 20,000 villages with electricity is our immense contribution towards 'Har Ghar Bijli' yojana under rural electrification.**

135 transmission towers spread across the length of 50 kilometers; and important rural electrification works in Patna and Gaya districts in Bihar by electrifying over 4000 villages in which work in 483 villages are completed within a month period much before the deadline of Saubhagya scheme. Govt. of Bihar has conferred the appreciation and award for this project for completing the target much before the stipulated time.

#### **Investing in our people**

During the year we worked with a team comprising of hundreds of incredible employees. We couldn't have achieved what we did without their energy, utmost dedication, and enthusiasm. On behalf of the board, I would like to thank all our employees for their commitment and effort this year. We are fortunate to work on various impressive and exciting projects and it is delightful to see our people working with both passion and pride. We will continue to make efforts to provide our employee with a congenial working atmosphere that allows them to realize their full potential and achieve the organisations' goals while meeting their individual aspirations.

#### **Building for the long term**

We are focusing on completing the current ongoing projects on time while also planning to expand water, wastewater, irrigation, and power businesses across India for which our bidding for selected projects, in these segments, has been initiated. We also look forward to completing the SAUNI Yojana pipeline project in Gujarat, the smart city project in Madhya Pradesh; the drinking water projects in Rajasthan and the several power transmission & distribution projects in different states of India. Considering the niche position we have managed

to create in the water and power segment, we intend to use it to our advantage. In essence, our business plan for the year is to maximize our strength to achieve the overall objective.

The Company has achieved significant milestones as it has continuously been featuring among the World's Top 50 Private Water Companies as per report by Global Water Intelligence, London. During the year the Company also received a number of national and international awards for the contribution in nation building with sustainable infrastructure development. The Company's expertise is well recognised by industry associations, government agencies and others with representation of officials in national level expert committees and task forces.

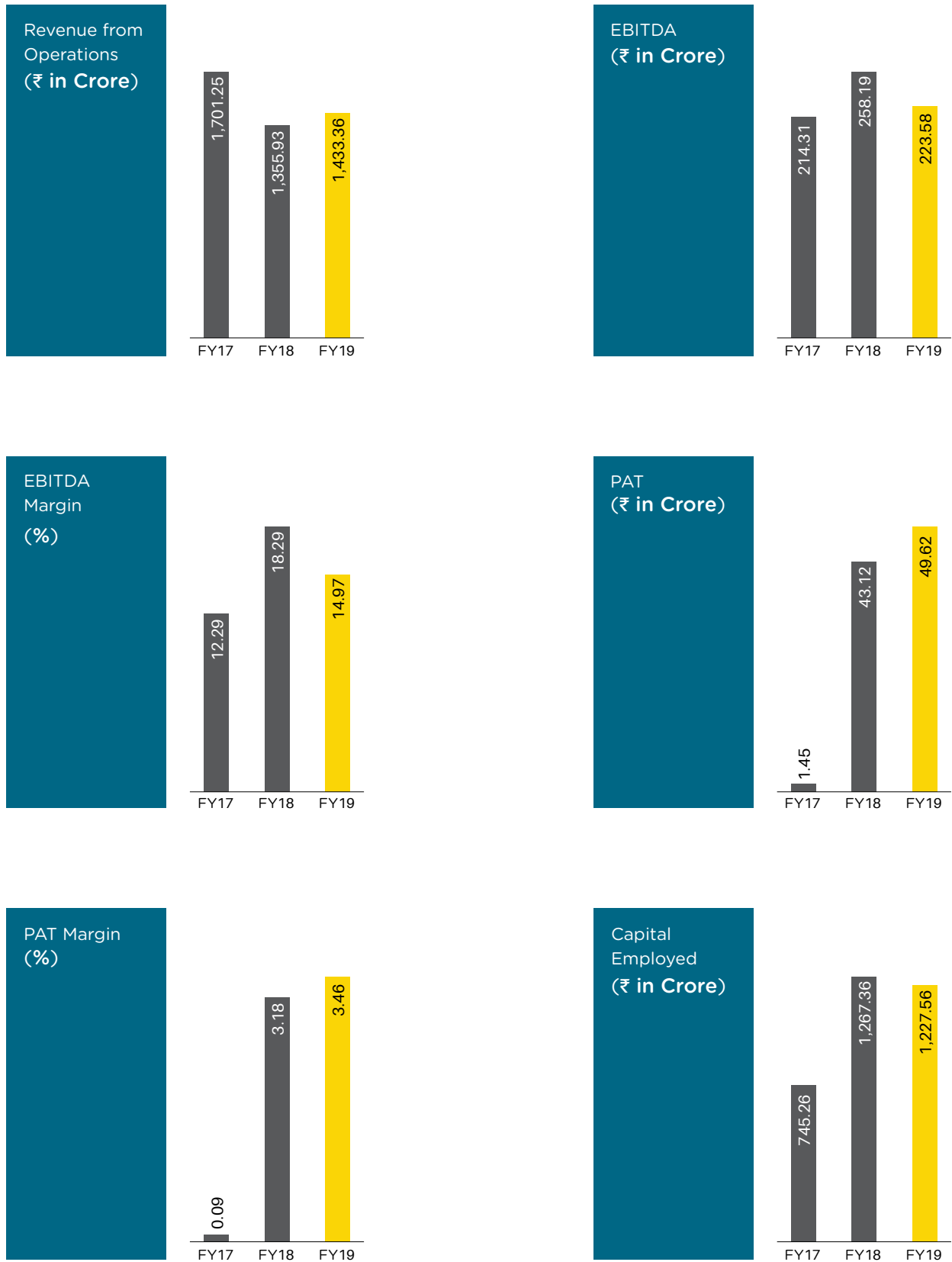
The Company has always accorded high importance to health & safety in its planning and execution in all projects. The Company also focuses on other aspects that are important for the development, including initiatives in the areas of corporate governance, employee training and enhancement programs, client services etc.

I would hereby take this opportunity to thank my fellow Board members for their support and guidance. I also thank our esteemed clients, the management team, employees, bankers, auditors, and suppliers for their dedication and commitment. We look forward to building on these relationships further, as we continue to grow our business.

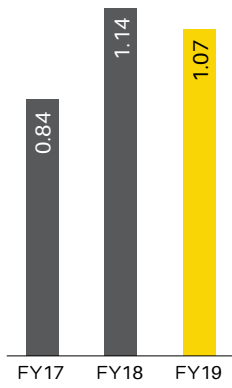
**Subhash Chand Sethi**  
Chairman

# FINANCIAL PERFORMANCE

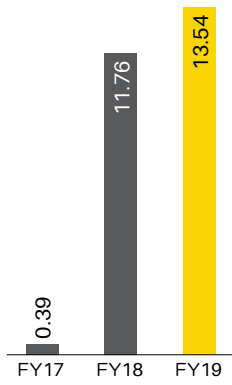
A glimpse at SPML's growth



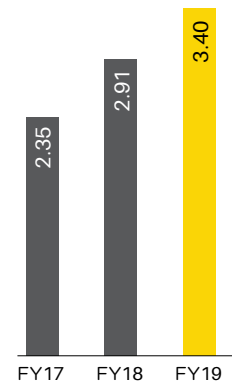
## Current Ratio



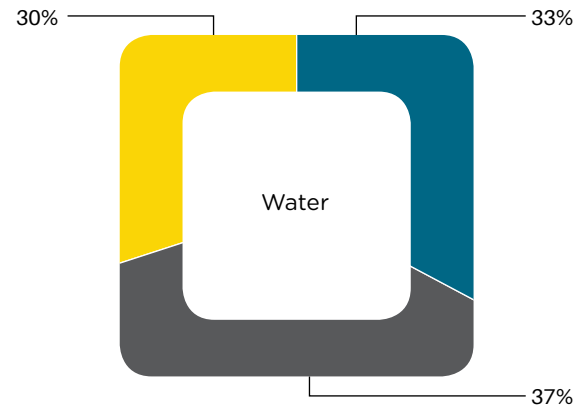
## EPS



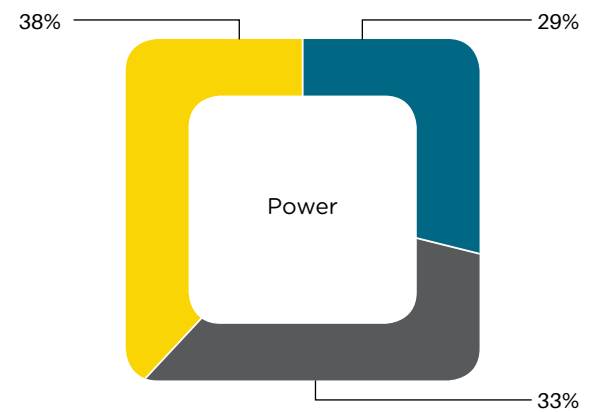
## Debt Equity ratio



## Order Book Value



|      | (₹ in Crore) |
|------|--------------|
| FY19 | 3,960        |
| FY18 | 4,464        |
| FY17 | 3,685        |



|      | (₹ in Crore) |
|------|--------------|
| FY19 | 2,040        |
| FY18 | 2,289        |
| FY17 | 2,613        |



# ≡ BUSINESS SEGMENTS OVERVIEW



**Water Management**



**Power Management**



**Urban Infrastructure**



**Environment Management**

Through our business presence in varied infrastructure sectors, we strive to build infrastructure that forms a strong foundation for rapid and inclusive economic growth for the country. We remain committed to infrastructure investments in water, power, urban infrastructure and environment that align to our broader mission of helping build a better India.





# WATER MANAGEMENT



## Overview

As a leading player in the water segment, SPML has ample experience in executing turnkey water projects including extraction, pumping, treatment, transmission, distribution, and metering using innovative technologies. We have been promoting sustainable water management over the years and have established ourselves as a preferred partner for municipalities and water utility bodies to provide safe clean drinking water to the residents

**₹ 778.71 Cr**

Revenue from segment FY19

**₹ 747.44 Cr**

Revenue from segment FY18

**40 Million+**

People served with fresh water

**25**

Ongoing Projects

Among

**Top 50**

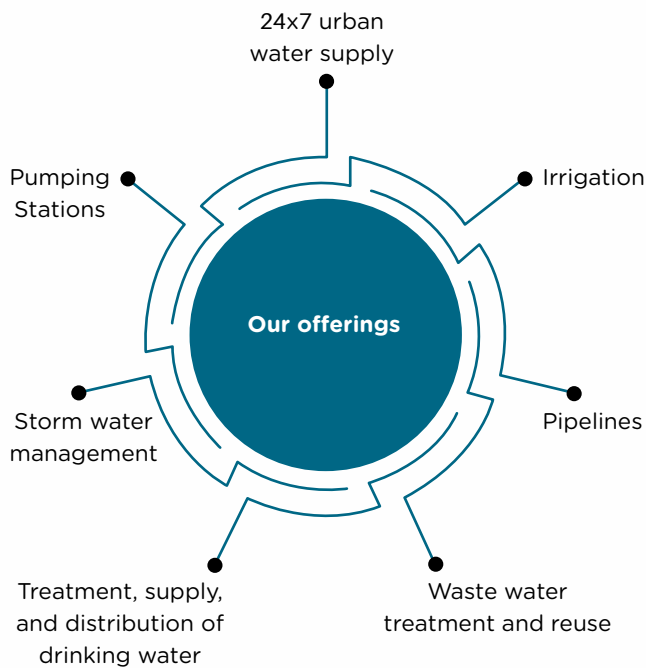
Private Water Companies in the world

## Industry optimism

With 2nd largest population at 1.37 billion, India is expected to become the most populous country by 2024 and will continue to grow for years to come. However, it will be a tough challenge for the country to serve the vast majority of the population with safe, clean water. Nearly 60% of India's groundwater reserves are already contaminated with biological, organic, and inorganic pollutants. The Central Pollution Control Board (CPCB) has discovered that apparently, 18 major rivers in India are unfit for any domestic and industrial water usage. If current trends persist, India can be well on its way to become a country with scanty water resources in the near future. The water scarcity issue is looming large in Indian cities and water utilities are facing their biggest ever challenge from ageing infrastructure across the country.

This issue needs urgent attention from policy makers, relevant government officials, private partners and people at large, especially in cities, where the burgeoning trend of urbanisation continues to pose a more serious problem. A water and wastewater infrastructure sustainability policy is required to be developed, to ensure the promotion of sustainable infrastructure in the water sector. The policy's objective should be to ensure that all investments, policies, and actions support water infrastructure in the most efficient and sustainable manner to support water utilities, enhance economic competitiveness, and promote affordable operation and maintenance.





### Outlook

SPML makes an indispensable contribution towards preserving the precious resource of water across the nation by minimising wastage, losses, and pilferages via smart infrastructure and management. With a strong commitment towards the objective of water-for-all, we are currently serving more than 50 million Indians through various projects.

### SPML's core capabilities

- Over 500 projects executed in the water and sanitation segment alone
- Emerged as one among the World's Top 50 Private Water Companies as per research by Global Water Intelligence, London
- Executing 24x7 urban water supply projects in Delhi and 6 cities in Karnataka
- Currently executing 25 water projects across India (Rajasthan, Gujarat, Delhi, Karnataka, Uttar Pradesh, Madhya Pradesh, Jharkhand, etc.)
- Constructed more than 10,000 km of cross country pipeline (upto 3000 mm diameter mild steel pipeline, capacity to lay upto 4000 mm diameter)
- Constructed 5000 MLD of water pumping stations (largest single-500 MLD Pumping Station for Bangalore Water Supply project)
- 1000 MLD of water treatment plants constructed (largest 200 MLD at Surajpura for Jaipur water supply project)
- 700 MLD wastewater treatment plants constructed (largest 240 MLD STP in Ahmedabad, Gujarat and 35 MLD CETP in Delhi, for Bawana Industrial Area)
- 50 million people provided with drinking water facility
- 500,000 smart water meters being installed across Delhi and 6 cities of Karnataka

### Key Clientele



Public Health Engineering  
Department, Rajasthan



Bangalore Water Supply  
& Sewerage Board



Karnataka Urban Water  
Supply & Drainage Board



Narmada Water  
Resource Dept. Gujarat



Karnataka Urban  
Infrastructure Development  
and Finance Corporation



Delhi Jal Board



Gujarat Water  
Infrastructure Ltd



Karnataka Neeravari  
Nigam Limited

# POWER MANAGEMENT



## Overview

SPML is engaged in the construction of large power plants in the domains of civil, mechanical and electrical works and has emerged as a preferred, trusted and reliable partner and currently spearheading high-value projects in the energy sector in India. SPML infra offers integrated solutions for basic and detailed engineering, system integration and technical specifications to meet power plants' requirements in terms of technology, standards, specification, and quality. Further, SPML is valued as a prominent player, among the largest contributors of power transmission and distribution in India. It focuses on developing future power systems along with the upgradation of existing transmission systems, adopting technology suitable for bulk power transfer over long distances.

## ₹ 349.02 Cr

Revenue from segment FY19

## ₹ 315.31

Revenue from segment FY18

## 400 MVA

Installed capacity

## 16

On-going projects

## 20,000+

Villages electrified

## 80th

India's rank in the reliability of power supply as per 2018 Global Competitiveness report

## Industry optimism

With significant historical investment in power generation capacity, we are in a better position today to meet the increasing demand of electricity by people and industries. The power capacity at the time of Independence was just 1300 MW, which grew to an installed capacity of 356.8 GW as on 31 May 2019 with an annual growth rate of ~5% since 2014. The Indian Government has outlined a number of schemes and initiatives to transform the power sector. In order to fix the weakest link in the power value chain, the Ujwal Discom Assurance Yojna (UDAY) was rolled out to solve the present and potential future problems of DISCOMS with support from State Governments. The Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) was launched to enhance rural electrification and for modernization of transmission and distribution network. The Integrated Power Development Scheme (IPDS) was launched to provide capital subsidy for strengthening and augmentation of the distribution system, reduction of AT&C losses, metering of distribution at transformers/ feeders/consumers, IT enabled energy accounting/ auditing, improvement in billed energy based on metered consumption and improvement in collection efficiency.

The Unnat Jyoti by Affordable Lighting for All (UJALA) Scheme was launched with a target to replace almost 770 million old-fashioned electric light bulbs with energy-efficient LED bulbs. Its purpose is not only to help reduce electricity bills of consumers but also contribute to energy security of India. The Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya) envisages reducing import of fossil fuels, boosting underutilized power plants and meeting its climate change commitments. With an aim to provide electricity to all families with provision for free electricity connection to poor families, this scheme has so far covered 25.26 million rural and 1.21 million urban households.

**Our offerings****SPML's core capabilities**

- 100+ Power projects executed (power generation, transmission and distribution and balance of plant projects)
- Over 800,000 Power connections provided by SPML under rural electrification projects
- More than 20,000 villages granted access to electricity under rural electrification schemes in several states of India
- 38 MW Capacity of hydropower plants constructed by SPML
- Over 4000 MVA power transformers installed by SPML
- Currently executing 16 power projects; completed 6 in 2018-19

**Outlook**

SPML is spearheading, executing and managing various key projects in the power sector and is committed to the nation's power development program. With a multitude of ongoing projects set across different states in India, SPML has proved to be a premier power generation, transmission and distribution and management company focused on catering to the power requirements of the consumers. The Company is gearing up to equip itself for the future by way of contemporary technology, skilled workforce, and technical capacity building.

**Key Clientele**

West Bengal Power  
Development Corporation  
Limited



Power Grid Corporation  
of India



Jharkhand State  
Electricity Board



Haryana Vidyut  
Prasaran Nigam Limited



South Bihar Power  
Distribution Company Ltd.

## ≡ URBAN INFRASTRUCTURE



### Overview

An established leader in infrastructure development, SPML undertakes, develops, and manages civil infrastructure projects such as Metro Rail, Roads and Bridges, low cost housing and Urban Infrastructure amongst other infrastructure projects. SPML infra has established itself as a reliable and preferred partner in the industry of infrastructure development for the state and central governments as well as municipal bodies across the country.

### Industry optimism

The infrastructure development industry is growing in India, courtesy the components of innovation and technology, which act as its key growth drivers. The liberalisation of policies and regulations with a deliberate strategy by the Government to promote infrastructure development for unabated economic growth has been yielding good results. Moreover, there is a huge demand for the construction of large and more complex projects with precision, in shorter durations. Further, the advancement of new technologies has rapidly transformed and remodeled infrastructure development globally, thus generating opportunities for businesses to grow. The Government has also initiated a number of measures to amplify the speed of construction.

The proposed investment in several new schemes is likely to witness the healthy growth of the infrastructure sector. Moreover, newer opportunities are also expected to rise, in the area of urban infrastructures, such as the development of smart cities, large urban transport, etc. The growth of the infrastructure sector is dependent on solving some key challenges related to reducing regulatory uncertainty, developing appropriate financing mechanisms and ensuring efficient project. However it can be surmised, that progressing ahead, the sector is poised to rebound with fresh and newer opportunities.





#### SPML's core capabilities

- In-house engineering and design capabilities
- More than 600 infrastructure projects executed
- Provides turnkey infrastructure solutions – engineering marvels, monuments, and landmarks
- Developing smart city as a global manufacturing and investment destination under the Delhi-Mumbai Industrial Corridor (DMIC) scheme
- Prequalified for large value projects in civil construction, along with specialization in Roads, Flyovers Bridges, Terminals, Rail Over/Under Bridge and Industrial Infrastructure
- Built over 1,500 Km of Roads and Highways

#### Outlook

Backed by an inventory of vast experience and superior execution capabilities, SPML Infra shall continue to provide sustainable infrastructure development solutions to its esteemed clients, both at the Centre and state levels. We also look forward to the completion of the smart city development project in Ujjain, Madhya Pradesh; a project under the Delhi-Mumbai Industrial Corridor scheme.

#### Key Clientele



Central Public Works  
Department



Bangalore Metro Rail



Delhi Metro Rail  
Corporation



Delhi Mumbai Industrial  
Corridor



Madhya Pradesh Road  
Development Corporation  
Limited

# ENVIRONMENT MANAGEMENT



## Overview

A leader in the area of dealing with municipal solid waste management, SPML offers end-to-end waste management solutions in compliance with the Central Public Health and Environmental Engineering Organisation (CPHEEO) and Municipal Solid Waste Management (MSW) Rules 2000. Environment Management being one of the business verticals, SPML systematically manages huge volumes of municipal solid waste per year through industrially recognized processes, ensuring that it reaches a high level of performance in material recovery and energy use.

## Industry optimism

Solid waste management poses a challenge for the cities' authorities in developing countries primarily due to the increasing waste generation, the burden posed on the municipal budget as a result of the high costs associated to its management, the lack of understanding over a diversity of factors that affect the different stages of waste management and linkages necessary to enable the entire handling system to function. With rapid urbanisation, the country is facing a massive waste management challenge. However, there have been technological advancements for processing, treatment, and disposal of solid waste. Energy-from-waste is a crucial element of SWM because it reduces the volume of waste from disposal while helping to convert the waste into renewable energy and organic manure.



### Our offerings

Door-to-door collection of municipal solid waste

Primary transportation and storage of waste at waste storage depots (WSD)

Segregation of waste at the secondary level

Secondary transfer and transportation of waste to process facility/landfill

Design and construction of waste processing facilities-Composting/ Refuse Drive Fuel

Design and construction of scientific landfills (SLF)

Design and construction of inert processing facilities-Eco Bricks/ Paver Blocks

Scientific closure of the landfill

Service contract for mechanical road sweeping

Waste to resource; recycling, composting, waste to energy

### SPML's core capabilities

- 600 tonnes of municipal solid waste management managed per day in Delhi
- Executing tracking and monitoring of solid waste management project under Swachh Bharat Mission in 48 cities spread across Bihar, Jharkhand, Odisha, and Andaman and Nicobar islands
- Executed five solid waste management projects in more than five locations across the country
- Building plants which are fully equipped with advance treatment systems accompanied by reliable technology for efficient operation and maintenance

### Outlook

At SPML, environment protection, sustenance, and growth are of utmost priority. We believe that the successful achievement of these goals are accountable to our commitment to provide maximum value to clients by optimum use of resources with long term sustainability and achieving high standards in performance and costs, without compromising on quality.

### Key Clientele



South Delhi Municipal Corporation

## ≡ HOW WE CREATE SOCIAL IMPACT

**At SPML, social responsibility has been the basis of success right from its inception. Our approach has been to make enduring social impact through programs that build sustainability.**

SPML Infra has defined its core values – Care, Passion, Awareness and Improvement – to guide in all segments it caters. As a constructive partner in the communities in which it operates, SPML has been doing real works to realize its social responsibility objectives, thereby building value for its clients and employees. Indicative list of Community oriented programs are as under:

**“Beti Bachao”** campaign started in 2010 in Delhi has spread to several cities in India; mass media campaign has been done in Haryana and Rajasthan to educate the people about the girl child. It has helped community to understand the importance of girl child, their education and healthy upbringing.



**“Free Limb Distribution”** program started after the inception of the company in 1981 and is continuing. Several camps are organised every year in different cities to distribute free artificial limbs to the needy to overcome their challenges.



**“Eye care & Health Camp”** is being organised every quarter, in the past 5 years, more than 5000 people have been provided with free health and eye check-up facilities and medicines, spectacles etc. and more than 500 people have got their vision back after free cataract surgery organized by the company.



**“Dental care Camp”** Regular dental care camp is organized at schools to provide free of cost consultation and medicines to students from the economically weaker sections of the society.





**“Social Advertisements for Water & Environment Conservation”** – SPML believes in “save water is found water”, and to spread this message, regular outdoor and mass media campaigns on “Save Water” and “Conserve Water” is running across Delhi and other cities, a number of hoardings, boards, message boards, bulletins with the messages are put up regularly.



**“Tree Plantation for Environment Conservation”** – SPML Infra believes in “save environment – plant trees”, and to spread this message, regular tree plantation is being done at project sites across the country.

SPML Infra has always been touching the lives of millions of people positively by supporting environmental and health-care projects and social, cultural and educational programs.

Besides focusing primarily on the welfare of economically and socially deprived sections of society, SPML also aims at providing economically viable and environment-friendly services for the benefit of millions of people across the nation, while at the same time ensuring the highest standards of safety and environment protection in its operations.

## IN THE NEWS



An interview of Mr. Subhash Sethi, Chairman, SPML Infra Limited, on Indian construction sector published in **Construction & Architecture Magazine, Mar-Apr 2019.**

The Interview on Infrastructure Finance by Mr. Subhash Sethi, Chairman, SPML Infra Limited published in **Construction Times, March 2019.**



'Water Infrastructure - Need of Efficiency', an article written by Mr. Subhash Sethi, Chairman, SPML Infra Limited published in **Everything About Water, March 2019**



"Infrastructure Sector-Poised for Big Leap', the interview of Mr. Subhash Sethi, Chairman, SPML Infra Limited published in **Construction Mirror, February 2019**



A detailed case study on Decentralized Sewerage System at Mira Bhayander under 'Top 30 Municipal Case Studies' published in **Smart Water & Waste World, January 2019**





An interview of Mr. Subhash Sethi, Chairman, SPML Infra Limited on 'Infrastructure Growth in India' published in **Construction Times**, January 2019



An article on 'Water Loss Management' by SPML Infra Chairman, Mr. Subhash Sethi published in **Express Water**, May 2018



The CEO Magazine, India-South Asia Issue Dec 2018-

Jan 2019 published a cover editorial on Mr. Subhash Sethi, Chairman, SPML Infra Limited



An article on SPML Infra Limited's rural electrification projects and Saubhagya Award published in **T&D India**, November 2018





An article by Mr. Subhash Sethi, Chairman, SPML Infra Limited on Non-revenue-water management published in **Indian Infrastructure, October 2018**



'Municipal Water Management-A Global Challenge', the article by Mr. Subhash Sethi, Chairman, SPML Infra Limited published in **Everything About Water, September 2018**



An article by Mr. Subhash Sethi, Chairman, SPML Infra Limited on renewable energy published in **Electrical Mirror, August 2018**



**Express Water, August 2018** published an article by Mr. Subhash Sethi, Chairman, SPML Infra Limited on Water Infrastructure



The interview of Mr. Subhash Sethi, Chairman, SPML Infra Limited on Wastewater Management published in **EPC World, July 2018**



**Construction Week, June 2018** published views of Mr. Subhash Sethi, Chairman, SPML Infra Limited on topic of Construction Machineries

## AWARDS & RECOGNITION



ASSOCHAM Water Management Excellence Awards 2019



CIA World Construction & Infra Award 2019 as Best Company in Water Management - EPIC Media



Smart Water & Waste World Award 2019 for Decentralized Sewerage System in Mira Bhayander, Maharashtra



50 Most Impactful Leaders in Water & Water Management Awards 2018 to SPML Infra Chairman - World CSR Day



The Economic Times Most Promising Business Leaders of Asia 2018 Award to SPML Infra Chairman, Mr. Subhash Sethi



Award for Outstanding Contribution in Completion of SAUBHAGYA Scheme in Bihar - by Hon'ble Chief Minister of Bihar



Certificate of Appreciation for Outstanding Performance in SAUBHAGYA Scheme in Patna District, Bihar



ET Now-Water Leadership Awards 2018 for Excellence in Water & Wastewater Management - World CSR Day

## ≡ BOARD OF DIRECTORS



**Subhash Chand Sethi**  
Chairman

Chairman of SPML Infra board and group companies, leads the company towards growth with his visionary approach and business acumen. He led the company to foray into energy business with several EPC and BOOT projects in renewable power generation, power transmission, distribution and supply management, coal mining etc. His valuable contributions towards the development of infrastructure sector have been recognized widely and he has received several prestigious awards and accolades from industry bodies and Institutions including Economic Times Most Promising Business Leaders of Asia Award.



**Sushil Kr. Sethi**  
Managing Director

Responsible for the development and growth of water, wastewater and environment business, enabling the company to foray into several EPC, PPP and BOOT projects in water, wastewater and sewer rehabilitation, sewerage network, irrigation, and other sectors. He holds honorary & prestigious offices in various social and economic organizations and has been conferred with Infrastructure Person of the Year Award 2014 for his valuable contributions in infrastructure development in India.



**Deepak Sethi**  
Non-Executive Director

Instrumental in development and execution of municipal solid waste management projects, airport sanitation projects, new ventures and start-ups; leads group companies towards robust IT infrastructure. With intense zeal and highly focused approach, he is credited for establishing strong IT infrastructure in the organization, including new age business techniques. He is an M.B.A. from Deakin University, Australia.



**P. S. Rana**  
Independent Director

A B.Tech in civil engineering from IIT, Delhi, and Ph.D. in transport engineering and management from University of Newcastle, United Kingdom, he has served as a Chairman of the Housing and Urban Development Corporation, the Construction Industry Development Council and Patron Institute of Urban Transport along with being a member of the advisory council of IIT, Delhi.



**Sarthak Behuria**  
Independent Director

A B.A. in Economics from St. Stephens College, Delhi, and an M.B.A. from IIM, Ahmedabad, he has served as a Chairman of Indian Oil Corporation Limited and Bharat Petroleum Corporation Limited along with receiving the SCOPE Award for Excellence & Outstanding Contribution to Public Sector Management (2007-08).



**Dinesh Kr. Goyal**  
Independent Director

An IAS passout of the 1981 batch belonging to the Rajasthan cadre, he completed his Ph.D. from the Birla Institute of Technology & Science, and his M.Sc. from the London School of Economics, United Kingdom and served as an Additional Chief Secretary for the Rajasthan Government.



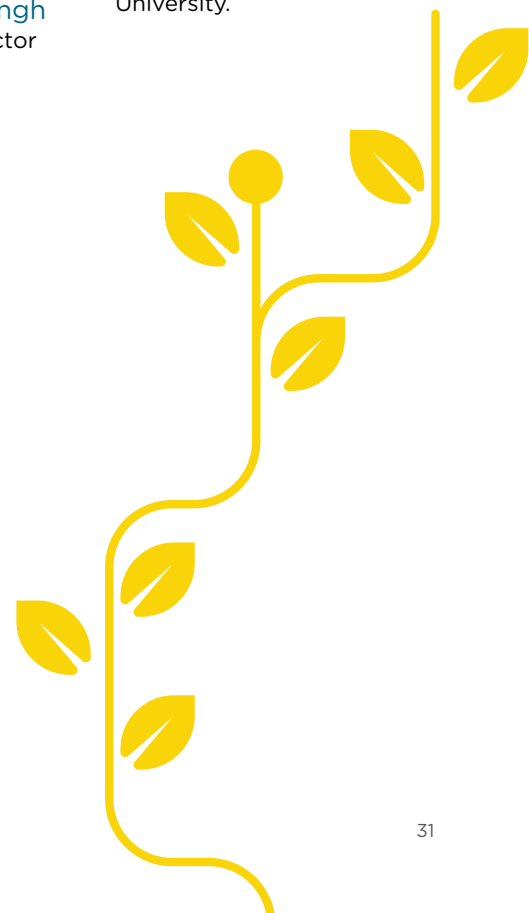
**Pavitra Joshi Singh**  
Independent Director

Working as Director Human Resource at PepsiCo India and Head of Talent Acquisition - Asia, Middle East and North Africa, recognized as one of corporate India's Fastest Rising Women Leaders. She is an M.B.A. (Human Resource) from Pune University.



**Supriyo Kr. Chaudhuri**  
Nominee Director

An M.B.A. from IIM, Calcutta and a CAIIB from the Indian Institute of Bankers, Mumbai, he has served a long stint as a Chief General Manager of State Bank of India, handling corporate banking, network, credit and commercial operations.





# STATUTORY REPORTS

# DIRECTORS' REPORT

## Dear Shareholders,

The Board of Directors of your Company presents the 38th Annual Report of SPML Infra Limited on the operations and performance of the Company along with the audited financial statements for the year ended 31st March 2019.

## Financial Results

The brief summary of the financial performance of the Company for the Financial Year ended 31st March 2019 along with the comparative figures for the previous year is summarized herein below:

| Particulars  | Standalone         |                    | Consolidated       |                    |
|--|--------------------|--------------------|--------------------|--------------------|
|  | 2018-19            | 2017-18            | 2018-19            | 2017-18            |
| Revenue from Operations  | 1,43,336.06        | 1,35,592.55        | 2,01,152.08        | 2,04,947.99        |
| Other Income   | 5,989.50           | 5,578.56           | 6,511.72           | 6,070.74           |
| <b>Total Income</b>  | <b>1,49,325.56</b> | <b>1,41,171.11</b> | <b>2,07,663.80</b> | <b>2,11,018.73</b> |
| Total Expenses   | 1,26,967.51        | 1,15,351.72        | 1,84,293.58        | 1,83,379.11        |
| <b>Earnings before Interest, depreciation, tax and amortization (EBIDTA)</b>                             | <b>22,358.05</b>   | <b>25,819.39</b>   | <b>23,370.22</b>   | <b>27,639.62</b>   |
| Less :- Finance Cost   | 15,252.35          | 19,557.12          | 16,063.53          | 21,357.13          |
| Less :- Depreciation   | 371.97             | 765.56             | 1,087.76           | 1,683.41           |
| <b>Earning before share of profit/(loss) of associate and joint venture, exceptional items &amp; tax</b> | <b>6,733.74</b>    | <b>5,496.71</b>    | <b>6,218.93</b>    | <b>4,599.08</b>    |
| Share of profit/(loss) of Associates & Joint Ventures  | -                  | -                  | 302.67             | 1,363.22           |
| Minorities share of profit/(loss)  | -                  | -                  | 63.66              | (213.11)           |
| <b>Earning Before Tax (EBT)</b>  | <b>6,733.74</b>    | <b>5,496.71</b>    | <b>6,457.94</b>    | <b>6,175.42</b>    |
| Tax Expenses   |                    |                    |                    |                    |
| Less: - Current tax  | 1,539.36           | 993.19             | 2,149.43           | 1,262.37           |
| Less: - Deferred Tax   | 232.55             | 191.88             | 335.17             | (127.27)           |
| <b>Profit After Tax</b>  | <b>4,961.83</b>    | <b>4,311.64</b>    | <b>3,973.34</b>    | <b>5,040.31</b>    |
| Other Comprehensive Income for the Year (Net of Taxes)   | (437.47)           | 74.64              | (423.56)           | 247.75             |
| Total Comprehensive Income for the year  | 4,524.36           | 4,386.28           | 3,549.78           | 5,288.06           |
| Earnings per share - Basic and Diluted (Nominal value ₹2 Per Share)                                      | 13.54              | 11.76              | 10.84              | 13.75              |

## Financial Performance

### Standalone

During the year under review, the standalone Operating Revenue of your Company was ₹1,43,336.06 Lakh, higher by 5.71% as compared to ₹1,35,592.55 Lakh in the previous year. The Net Profit for the year is ₹4,961.83 Lakh higher by 15% over the previous year Net profit of ₹4,311.64 Lakh.

### Consolidated

During the year under review, the Operating Revenue of your Company stood at ₹2,01,152.08 Lakh as compared to ₹2,04,947.99 Lakh in the previous year. The earning before exceptional item is ₹6,218.93 higher by 35% over the previous year earnings before exceptional item is ₹4,599.08 Lakh.



The Consolidated Net Profit during the financial year 2018-19 was ₹3,973.34 Lakh compared to the Net Profit of ₹5,040.31 Lakh in the previous year 2017-18. The Net Profit is impacted mainly due to lower share of profits from Subsidiaries and Associates and higher tax expense in the current year.

## State of Company's Affairs

SPML is India's leading Publicly Listed Infrastructure Development Company with about 4 decades of experience in the public as well as private sector, that has executed & managed more than 600 projects across Pan India for Water Supply and Distribution Management, Wastewater Treatment and Reuse, Power Generation, Transmission & Distribution, Municipal Solid Waste Management, Smart City Development, IT Solutions for Utilities and other Civil Infrastructure. Your Company has contributed in rural electrification scheme with more than 20,000 village electrification across the States like Karnataka, Bihar, Odisha, Jharkhand, West Bengal and Uttar Pradesh. Your Company also boosts up its strength in managing the project and resource, process technology, depth engineering and set up a new benchmark in terms of modern construction and time management. Your Company operates on engineering, procurement, construction (EPC) segment. As on date there is no change in the nature of business being undertaken by the Company.

The brief highlights of the performance of the Company for the Financial Year 2018-19 are summarized herein below:

- Commissioning of SAUNI (Saurashtra-Narmada Avataran Irrigation) Phase 2 Project in Gujarat - value ₹5,001.48 Million.
- Commissioning of 220 kv Grid Sub Station in Ratu.
- Commissioning of Gagreen and Pokhran Water Supply Projects, in Rajasthan
- Completion of rural electrification work in Bihar providing electricity to over 4,000 villages
- Received Arbitration Awards worth ₹475.00 Million from Jharkhand Urja Utpadan Nigam Ltd.
- Introduction of new Dashboard of Accounting Package HANA, High Profile Product from SAP. HANA is the advance technology of SAP, the present accounting package of the Company
- Received new project orders from different Departments in various states, some of the key Projects are as follows:
  - from Junagarh Project Irrigation Division, Gujarat, order worth ₹7,238.70 Million, first largest single

order received by the Company for the Phase-3 of SAUNI (Saurashtra-Narmada Avataran Irrigation)

- from Ludihana Smart City order worth ₹1,036.00 Million in joint venture with Shristi Infrastructure Development.
- from Public Health Engineering Department, Manipur, two orders worth ₹333.00 Million & ₹223.10 Million respectively.

## Awards and Recognition

During the year under review your Company has received various prestigious awards. They are as follows:

- Honored with "Zee Business-Dare to Dream Award 2018" as "Company of the Year- Infrastructure". The award was honored by Zee Business jointly with SAP India. The award was for top Companies of India those who dared to have big dreams.
- Received Appreciation Certificate for outstanding contribution in completion of SAUBHAGYA Scheme in Bihar. The Certificate was based for completing rural electrification work for electrifying over 4,000 villages in Bihar.
- SPML Chairman was conferred with Economic Times Most Promising Business Leaders of Asia 2018 Award.
- Won CIA World Construction & Infra Awards 2019 as best water management Company of the year.
- Conferred with Smart Water & Waste Water Award 2019.

## 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 2019.



## Subsidiary Companies/ Joint venture Companies / Associate Companies

As on 31st March 2019, the Company had Twenty Five (25) direct and indirect subsidiaries including Five (5) wholly owned subsidiaries, Twelve (12) joint ventures (JVs) and Eight (8) associates. There was no material change in the nature of the business carried on by the subsidiaries.

During the year under review, the following changes have taken place with respect to subsidiary and associate companies:

- During the year under review M/s. Rupin Tons Power Company Private Limited; Tons Valley Power Company Private Limited and Uttarkashi Tons Hydro Power Company Private Limited have applied to the Registrar of Companies for voluntarily Strike Off and therefore these companies do not exist as on 31st March 2019.
- SPMLIL-Amrutha Constructions Private Limited and Delhi Waste Management Najafgarh Private Limited incorporated as the subsidiaries of the Company.
- Aurangabad Jal Constructions Private Limited and Aurangabad Jal Supply Solution Private Limited ceased to be associate company of the Company.
- During the year under review M/s OM Metal Consortium JV ceased to be the Joint Venture of the Company.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read 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 is forming the part of the financial statements.

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 inspection at the registered office of the Company 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

During the year under review, Mrs. Archana Capoor and Mr. Sushil Kumar Roongta, Independent Directors of the

Company expressed their inability to continue as the director of the Company and resigned from directorship of the Company with effective from 13th August, 2018 and 18th January, 2019 respectively. The Board places sincere appreciation for the service rendered by them during their tenure as Independent Directors 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 and to fill the vacancy caused due to resignation of Mrs. Archana Capoor, the Board of your Company appointed Mrs. Pavitra Joshi Singh as an Additional Independent Woman Director of the Company w.e.f 25th February, 2019 for a term of 5 consecutive years subject to the approval of Shareholders in the ensuing Annual General Meeting. A resolution seeking shareholders’ approval for appointment of Mrs Singh as Independent Director forms part of the Notice of the ensuing Annual General Meeting.

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. Subhash Chand Sethi (DIN No 00464390), Wholetime Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for reappointment.

Further, pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and erstwhile Clause 49 of the Listing Agreement (now Regulation 17 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) Mr. Sarthak Behuria and Mr. Prem Singh Rana were appointed as the Independent Directors of the Company for a term of 5 (Five) years with effect from 26th September, 2018 till the 38th Annual General Meeting. Since the first term of 5 years of Mr. Sarthak Behuria and Mr. Prem Singh Rana is completing on 25th September 2019 and therefore, based on the recommendation of the Nomination and Remuneration Committee, their re-appointment for a second term of 5 years is proposed at the ensuing AGM for the approval of the Members by way of Special Resolution.

Pursuant to provisions of Section 196, 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 the Shareholders of the Company at their 33rd Annual General Meeting appointed Mr. Subhash Chand Sethi (DIN: 00464390) as Wholetime Director and Mr Sushil Kumar Sethi (DIN: 00062927) as the Managing Director of the Company for a term of 5 consecutive years with effect from 01st January, 2015, both liable to retire by rotation, which term is expiring on 31st December, 2019. Therefore, the Board of Directors at their meeting held on 30th May 2019, based on the recommendation of the Nomination & Remuneration Committee, re-appointed

Mr. Subhash Chand Sethi as Wholetime Director and Mr. Sushil Kumar Sethi as Managing Director of the Company liable to retire by rotation for another term of 5 years with effect from 01st January, 2020 till 31st December 2024, subject to the approval of Shareholders in the ensuing Annual General Meeting.

Further, all the Independent Directors have submitted declarations that each of them meet 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. There has been no change in the circumstances affecting their status as independent directors of the Company.

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

During the year under review Mr. Sushil Kumar Sethi, Managing Director, Mr. Subhash Chand Sethi Chairman & Whole-time Director, Mr. Sujit Jhunjhunwala, Chief Financial Officer (CFO) and Mr. Abhay Raj Singh, Company Secretary continues 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 and were also KMP as on 31st March 2019.

### Meeting of the Board of Directors

During the year under review, the Board met six (6) times, the details of the Meetings of the Board held during the financial year 2018-19 are given under the corporate governance report section which forms the part of this report. The Board further affirms that the time gap between any two consecutive Board Meetings did not exceed 120 days.

### 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, a separate meeting of the Independent Directors of the Company has been convened on 25th February, 2019 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 Director of the Company

specifying that they meet the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing 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.

### Board Diversity

We believe 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 evaluated the effectiveness of its functioning, the Committees and of individual Directors.

The Board Evaluation Framework is conducted annually for all the Board Members on various factors viz Relationship with Stakeholders, Company's performance, decision making, Degree of fulfillment of key responsibilities, effectiveness of the deliberations and process management; co-ordination and relationship between the Board and its Committees etc.

The Board evaluation is conducted through questionnaire having qualitative parameters and feedback based on rating.

## 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.

## 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)

## 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 was 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. The requirement of the ratification of the appointment of Statutory Auditor at every Annual General Meeting has been done way by the Companies Amendment Act, 2017 notified by the Ministry of Corporate Affairs dated 07th May, 2018, and hence the notice of ensuing Annual General Meeting does not carry any resolution pertaining to ratification of appointment of Statutory Auditor.

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, 2019 are self-explanatory and the qualification or observations of the Auditors have been suitably addressed in Note No. 43 to 45 of the notes forming part of the standalone financials and Note No 46 to 50 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 M/s PTM & Co., Company Secretaries as Secretarial Auditor to conduct the secretarial audit for the financial year ended on 31st March, 2019.

The Secretarial Audit Report for the Financial Year ended 31st March, 2019 in Form MR-3 is annexed to the Directors Report - Annexure - 1 and forms part of this Report. Observations of the Secretarial Auditor are self-explanatory.

## 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 Bikram Jain & Associates, Cost Accountants as the Cost Auditor of the Company for Financial Year 2019-20.

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 2019-20 is forming part of the notice convening the ensuing Annual General Meeting.

## Committee of the Board

Your Company has the following Committees: Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee, Finance Committee, CSR Committee and Committee of Directors. 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. Systems are inherent in the Company and are working effectively and efficiently. Your Company has adopted a 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.

## 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.

The particulars of all contracts or arrangements with related parties referred in Section 188(1) of the Companies Act, 2013 in Form AOC-2 is annexed as Annexure-2 to this report.

## 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)

### Corporate Social Responsibility

Apart from achieving its business goals, your company is committed towards Corporate Social Responsibility and sustainability initiatives and practices in the society in which it operates and achieves growth in a socially responsible way. The vision of your Company is to grow the business whilst reducing the environmental impact of our operations and increasing our positive social impact.

As part of its initiatives under “Corporate Social Responsibility” (CSR), the company is promoting health care and education by making contributions to the registered trusts that are imparting education and improving health care to the society. The Report on CSR activities is annexed as Annexure – 3 to this report. The Policy as adopted by the Company for the Corporate Social Responsibility is available at the website of the Company at [www.spml.co.in](http://www.spml.co.in)

### Material Changes and Commitments

There have been no 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 2019 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.

### 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.

### 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.

### Extract of the Annual Return

Pursuant to the provisions of Section 92 (3) of the Companies Act, 2013 read 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 i.e. Form MGT-9 for the Financial Year ended 31st March, 2019 is given in **Annexure- 4** and forms part of the Directors' Report. The same is also uploaded on the Company's website at [www.spml.co.in](http://www.spml.co.in).

### 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 are annexed as Annexure - 5 to this report.

Further, a Statement containing the name of top ten employee of the Company in terms of the receipt of the remuneration of ₹102 lakhs if employed throughout the year and receipt of ₹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- 6 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 - 7 and form part of this report.

### **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. The Board also appreciates and value the contribution made by every member of the SPML family.

### **On behalf of the Board**

Place: Gurgaon  
Date: 30th May, 2019

Subhash Chand Sethi  
Chairman

## ANNEXURE - 1

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019**

[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 2019, 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 2019 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, 2009 as effective till 09th November, 2018 and Securities and exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as effective from 10th November, 2018 ;
- d. The 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;
- 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; and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 as effective till 10th September, 2018 and Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 as effective from 11th September, 2018;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.
- (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, etc. mentioned above, subject to our comments:

1. Company has not spent the amount as per the requirement of Section 135 of the Companies Act, 2013
2. Company's woman director has resigned on 13th August, 2018 and the Company appointed new woman director in her place on 25th February, 2019.

#### **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 PTM& Co.**  
Company Secretaries

**(Tumul Maheswari)**  
ACS/FCS No. 16464  
CP No: 5554

Place: Delhi  
Date: 18.05.2019

**\*This report to be read with my letter of even date which is annexed as Annexure and 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 PTM& Co.**  
Company Secretaries

**(Tumul Maheswari)**  
ACS/FCS No. 16464  
CP No: 5554

Place: Delhi  
Date: 18.05.2019

## 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 2018-19.

#### 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

**Subhash Chand Sethi**  
Chairman

Place: Gurgaon  
Date: 30th May, 2019



## ANNEXURE - 3

### Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2018-19 (Pursuant to Section 135 of the Companies Act, 2013)

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs and the Composition of the CSR Committee Refer Corporate Social Responsibility section of the Directors Report.
2. Average net profit of the Company for last three financial year ₹2,296.73Lakh
3. Prescribed CSR Expenditure (2% of the amount as in item 2 above) ₹45.93Lakh
4. Detail of CSR spent during the financial year.
  - (a) Total amount to be spent for the financial year ₹45.93 Lakh
  - (b) Amount unspent, if any \*₹123.59 Lakh
  - (c) Manner in which the amount spent during the financial year 2018-19 Details given below

| (₹ in Lakh) |   |  |  |   |   |  |  |
|-------------|---|--|--|---|---|--|--|
| (1)         | (2)   | (3)  | (4)  | (5)                                     | (6)   | (7)  | (8)  |
| Sr. No.     | CSR project or Activity identified                          | Sector in which the project is covered   | Project or Programs  | Amount                                  | Amount spent  | Cumulative expenditure upto the reporting period | Amount Spent Direct or through implementing agency |
|             |   |  | (1) Local area or other<br>(2) Specify the State and district where project or programs was undertaken | Outlay (budget) project or program wise | on the projects or programs<br>Subhead:<br>(1) Direct expenditure on projects or programs.<br>(2) Overheads |  |  |
| 01.         | Contribution towards promotion of education and health care | Promoting health care under clause (i) of Schedule VII of the Companies Act, 2013 and Promoting education under clause (ii) of Schedule VII of the Companies Act, 2013 |  | 45.93                                   | NIL   | NIL  | Indirect   |

\*Out of total unspent amount of ₹123.59 Lakhs as on 31.03.2019 ₹77.66 Lakhs pertains to prior financial years, which were contributed by the company by way of donation, however the same stand unspent as on 31.03.2019 as the donee trust could not presented the donation cheques.

**Sushil Kumar Sethi**  
Managing Director

**Sarthak Behuria**  
Chairman - CSR Committee

## ANNEXURE - 4

### Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I REGISTRATION & OTHER DETAILS

|   |  |
|---|--|
| i) CIN  | L40106DL1981PLC012228  |
| ii) Registration Date   | 27.08.1981   |
| iii) Name of the Company  | SPML Infra Limited   |
| iv) Category/Sub-category of the Company  | Company limited by shares/Indian Non-Government Company  |
| v) Address of the Registered office & contact details                           | F-27/2, Okhla Industrial Area Phase-II,<br>New Delhi-110020<br>Ph No: +91-124-3944555; Fax: +91-124-3983201<br>Email: info@spml.co.in; Website: www.spml.co.in;                              |
| vi) Whether listed company (Yes/No)   | Yes (listed on BSE Ltd. and National Stock Exchange of India Ltd.)   |
| vii) Name, Address & contact details of the Registrar & Transfer Agent, if any. | Maheshwari Datamatics Pvt. Ltd,<br>23, R N Mukherjee Road, 5th Floor, Kolkata- 700001<br>Contact : 033-22482248/2243-5809; Fax: 033-22484787<br>Email: mdpldc@yahoo.com website: www.mdpl.in |

### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

| SL. No. | Name & Description of main products/services   | NIC Code of the Product /service | % to total turnover of the company |
|---------|--|----------------------------------|------------------------------------|
| 1       | Construction & maintenance of water main & line connection, water reservoirs including irrigation system (canal) / Construction & repair of sewer systems including sewage disposal plants & pumping stations. | 42204 / 42205                    | 55.96%                             |
| 2       | Construction and maintenance of power plants / Construction/ erection & maintenance of power, telecommunication & transmission lines   | 42201 / 42202                    | 24.77%                             |
| 3       | Trading of Iron & steel  | 47990                            | 19.28%                             |

### III PARTICULARS OF HOLDING , SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

| SL. No. | Name & Address of the Company  | CIN/GLN               | Holding/ Subsidiary/ Associate | % of Shares Held | Applicable Section |
|---------|--|-----------------------|--------------------------------|------------------|--------------------|
| 1       | ADD Energy Management Company Pvt. Ltd.<br>Golden Enclave, Corporate Block, Tower B1 5th Floor, HAL Old Airport Road<br>Bengaluru- 560017    | U74140KA2009PTC048963 | Subsidiary                     | 44.72            | 2(87)              |
| 2       | Allahabad Waste Processing Company Ltd.<br>5th Floor, Corporate Block, Tower B1, Golden Enclave, HAL Old Airport Road,<br>Bangalore - 560017 | U90000DL2010PLC118807 | Subsidiary                     | 95.01            | 2(87)              |
| 3       | Awa Power Company Pvt. Ltd.<br>Near Chimbhalhaar Home Stay Chimbhalhaar,<br>P.O Geetapeeth Palampur Kangra HP 176061                         | U45202HP2001PTC029000 | Subsidiary                     | 21.90            | 2(87)              |

| SL. No. | Name & Address of the Company   | CIN/GLN               | Holding/ Subsidiary/ Associate | % of Shares Held | Applicable Section |
|---------|---|-----------------------|--------------------------------|------------------|--------------------|
| 4       | Bhagalpur Electricity Distribution Company Pvt. Ltd.<br>22, Abanindra Nath Thakur Sarani, Block A, 3rd Floor, Kolkata - 700016                                | U40300WB2013PTC193917 | Wholly Owned Subsidiary        | 99.99            | 2(87)              |
| 5       | Binwa Power Company Pvt. Ltd.<br>Near Chimbhalhaar Home Stay Chimbhalhaar, P.O Geetapeeth Palampur Kangra HP 176061   | U45202HP1990PTC029003 | Subsidiary                     | 50.79            | 2(87)              |
| 6       | Delhi Waste Management Ltd.<br>F-27/2, Okhla Industrial Area, Phase II, New Delhi-110020  | U74999DL2005PLC131954 | Subsidiary                     | 49.39            | 2(87)              |
| 7       | Doon Valley Waste Management Pvt. Ltd.<br>5th Floor, Corporate Block, Tower B1, Golden Enclave, HAL Old Airport Road, Bangalore Bangalore- 560017             | U90000DL2011PTC214130 | Subsidiary                     | 87.49            | 2(87)              |
| 8       | IQU Power Company Pvt. Ltd.<br>Near Chimbhalhaar Home Stay Chimbhalhaar, P.O Geetapeeth Palampur Kangra HP 176061   | U45202HP2001PTC029002 | Subsidiary                     | 23.09            | 2(87)              |
| 9       | Luni Power Company Pvt. Ltd.<br>Near Chimbhalhaar Home Stay Chimbhalhaar, P.O Geetapeeth Palampur Kangra HP 176061  | U40101HP2001PTC028999 | Subsidiary                     | 43.62            | 2(87)              |
| 10      | Madurai Municipal Waste Processing Company Pvt. Ltd.<br>Survey No. 625, Vellaikkal Village, Perungudi Post, Madurai, Tamil Nadu-625022                        | U74999TN2008PTC066715 | Subsidiary                     | 92.33            | 2(87)              |
| 11      | Mathura Nagar Waste Processing Company Ltd.<br>5th Floor, Corporate Block, Tower B1, Golden Enclave, HAL Old Airport Road, Bangalore Bangalore- 560017        | U90001KA2010PLC119486 | Subsidiary                     | 90.25            | 2(87)              |
| 12      | Mizoram Infrastructure Development Company Ltd.<br>C/O Zoram Industrial Development Corporation Ltd, New Secretariat Complex, Khatla, Aizawl- 796001, Mizoram | U45201MZ2014PLC008277 | Subsidiary                     | 68.99            | 2(87)              |
| 13      | Neogal Power Company Pvt. Ltd.<br>Near Chimbhalhaar Home Stay Chimbhalhaar, P.O Geetapeeth Palampur Kangra HP 176061  | U45202HP2001PTC029001 | Subsidiary                     | 15.20            | 2(87)              |
| 14      | SJA Developers Pvt. Ltd.<br>F-27/2, Okhla Industrial Area, Phase, II New Delhi - 110020   | U70109DL2006PTC150546 | Subsidiary                     | 42.36            | 2(87)              |
| 15      | Subhash Urja Private Limited<br>22, Abanindra NathThakur Sarani Block -A, Kolkata-700016  | U40300WB2015PTC206181 | Wholly owned Subsidiary        | 99.99            | 2(87)              |
| 16      | SPML Energy Ltd.<br>B- Wing (South Portion), 5th Floor 41/7, Cristu Complex, Lavelle Road Bengaluru Bangalore 560001  | U40102KA2007PLC042238 | Subsidiary                     | 58.07            | 2(87)              |
| 17      | SPML Infra Developers Ltd.<br>F-27/2, Okhla Industrial Area, Phase II, New Delhi - 110020   | U45400DL2014PLC265280 | Wholly owned Subsidiary        | 99.99            | 2(87)              |
| 18      | SPML Infrastructure Ltd.<br>Golden Enclave, Corporate Block, Tower B1 5th floor, HAL Old Airport Road Bengaluru Bangalore- 560017                             | U45201KA2007PLC043613 | Wholly owned Subsidiary        | 99.99            | 2(87)              |

| SL. No. | Name & Address of the Company   | CIN/GLN               | Holding/<br>Subsidiary/<br>Associate | % of<br>Shares<br>Held | Applicable<br>Section |
|---------|---|-----------------------|--------------------------------------|------------------------|-----------------------|
| 19      | SPML Utilities Ltd.<br>B-Wing (South Portion), 5th Floor 41/7, Cristu Complex, Lavelle Road Bengaluru Bangalore 560001  | U90000KA2008PLC046115 | Wholly owned Subsidiary              | 99.99                  | 2(87)                 |
| 20      | Subhash Kabini Power Corporation Ltd.<br>B-Wing (South Portion), 5th Floor 41/7, Cristu Complex, Lavelle Road Bengaluru Bangalore 560001                        | U85110KA1997PLC021764 | Subsidiary                           | 44.72                  | 2(87)                 |
| 21      | ADD Technologies (India) Limited<br>#125/1-18,4th Floor G.K Arcade , T.Mariappa Road 1st Block Jayanagar Bengaluru Bangalore KA 560011                          | U31909KA1995PLC019162 | Subsidiary                           | 43.58                  | 2(87)                 |
| 22      | SPMLIL-Amrutha Constructions Pvt. Ltd<br>NO.384/A, SINDHURAAPPARTMENTSRMV II STAGE, II BLOCK, ASHWATHNAGAR BANGALORE Bangalore-560094                           | U45309KA2018PTC110677 | Subsidiary                           | 50.99                  | 2(87)                 |
| 23      | Delhi Waste Management Najafgarh Pvt. Ltd<br>5th Floor, Corporate Block, Tower B1 Golden Enclave, HAL Old Airport Road Bengaluru Bangalore-560017               | U90000KA2018PTC116770 | Subsidiary                           | 25.19                  | 2(87)                 |
| 24      | PT Sanmati Natural Resources<br>Menara Prima, 26th Floor, Unit A, Jl. Dr. Ide AnakAgungGdeAgung Blok 6.2, Kawasan Mega Kuningan, Jakarta Selatan 12950          | N.A                   | Foreign Subsidiary                   | 44.27                  | 2(87)                 |
| 25      | SPM Holdings Pte Ltd.<br>101 Cecil Street, #24-10 Tong Eng Building Singapore 069 533   | N.A                   | Foreign Step Down Subsidiary         | 44.72                  | 2(87)                 |
| 26      | Bhilwara Jaipur Toll Road Pvt. Ltd.<br>Om Tower, Church Road, MI Road, Jaipur - 302001, Rajasthan   | U45203RJ2010PTC031427 | Associate                            | 51.00                  | 2(6)                  |
| 27      | PT Bina InsanSuksesMandiri<br>Menara Prima, 26th Floor, Unit A, Jl. DR. Ide AnakAgungGdeAgung Blok 6.2, Kawasan Mega Kuningan, Jakarta Selatan 12950, Indonesia | N.A                   | Associate                            | 20.20                  | 2(6)                  |
| 28      | PT Vardhaman Logistics<br>Menara Prima, # 26th Floor, Unit A Jl. Lingkar Mega Kuningan Block 6.2, Jakarta - 12950, Indonesia                                    | N.A                   | Associate                            | 12.29                  | 2(6)                  |
| 29      | PT Vardhaman Mining Services<br>Menara Prima, # 26th Floor, Unit AJI. Lingkar Mega Kuningan Block 6.2, Jakarta - 12950, Indonesia                               | N.A                   | Associate                            | 20.41                  | 2(6)                  |
| 30      | Rabaan (S) Pte Ltd.<br>101 Cecil Street, #24-10 Tong Eng Building Singapore - 069 533   | N.A                   | Associate                            | 20.41                  | 2(6)                  |
| 31      | Sanmati Infra Developers Pvt. Ltd.<br>Golden Enclave, Corporate Block, Tower B1 5th floor, HAL Old Airport Road Bengaluru Bangalore-560017                      | U55103KA2006PTC040751 | Associate                            | 25.00                  | 2(6)                  |
| 32      | SPML Bhiwandi Water Supply Infra Ltd.<br>4th Floor, CTS No. 16/4, Supreme House, Jain Mandir Road, Powai, Opp. I.I.T. Main Gate, Mumbai Mumbai City MH- 400076  | U41000MH2008PLC182757 | Associate                            | 44.94                  | 2(6)                  |



| SL. No. | Name & Address of the Company   | CIN/GLN               | Holding/ Subsidiary/ Associate | % of Shares Held | Applicable Section |
|---------|---|-----------------------|--------------------------------|------------------|--------------------|
| 33      | SPML Bhiwandi Water Supply Management Ltd.<br>4th Floor, CTS No. 16/4, Supreme House, Jain Mandir Road, Powai, Opp. I.I.T. Main Gate, Mumbai Mumbai City MH- 400076 | U41000MH2008PLC182813 | Associate                      | 49.94            | 2(6)               |
| 34      | Aurangabad City Water Utility Co. Ltd.<br>6th Floor, Kohinoor City, Kirod Road, Kurla (W), Mumbai MH 400070   | U41000MH2011PLC219120 | Joint Venture                  | 40.01            | 2(6)               |
| 35      | Hydro-Comp Enterprises (India) Ltd.<br>B- Wing (South Portion), 5th Floor 41/7, Cristu Complex, Lavelle Road Bengaluru Bangalore 560001                             | U74140KA2007PTC043739 | Joint Venture                  | 50.00            | 2(6)               |
| 36      | Gurha Thermal Power Company Ltd.<br>J-28 , Subhash Marg C-Scheme Jaipur Jaipur RJ 302001 I Rajasthan  | U40109RJ2009SGC028694 | Joint Venture                  | 49.99            | 2(6)               |
| 37      | Malviya Nagar Water Services Pvt Ltd<br>A-1/132 Lower Grd Floor, Safdarjung Enclave, New Delhi - 110029   | U93000DL2012PTC273064 | Joint Venture                  | 26.00            | 2(6)               |
| 38      | MVV Water Utility Pvt. Ltd.<br>F-27/2, Okhla Industrial Area, Phase II, New Delhi - 110020  | U41000DL2012PTC241599 | Joint Venture                  | 47.99            | 2(6)               |
| 39      | Siddhartha - Mahavir SPML<br>NaviPeth, Jalgaon - 425 001  | N.A                   | Joint Venture                  | 10.00            | 2(6)               |
| 40      | SPML - CISCJV<br>22 Camac street, Kolkata - 700016  | N.A                   | Joint Venture                  | 50.00            | 2(6)               |
| 41      | SPML - Simplex JV<br>27 Shakespeare Sarani Kolkata -700017  | N.A                   | Joint Venture                  | 50.00            | 2(6)               |
| 42      | SPML - HCIL JV<br>22 Camac street, Kolkata 700 016  | N.A                   | Joint Venture                  | 33.00            | 2(6)               |
| 43      | SUEZ - SPML JV<br>Unitech Business Park Tower A (Second Floor) South City-I - Gurgaon 122001  | N.A                   | Joint Venture                  | 48.00            | 2(6)               |
| 44      | M&P + Subhash JV  | N.A                   | Joint Venture                  | 40.00            | 2(6)               |
| 45      | SPML-OM Metal JV (Ujjain)   | N.A                   | Joint Venture                  | 50.00            | 2(6)               |

#### IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

##### i) Category-wise Share Holding

| Category of Shareholders        | No. of Shares held at beginning of the year |          |          |                   | No. of Shares held at the end of the year |          |          |                   | % change during the year |
|---------------------------------|---|----------|----------|-------------------|---|----------|----------|-------------------|--------------------------|
|                                 | Demat                                       | Physical | Total    | % of Total Shares | Demat                                     | Physical | Total    | % of Total Shares |                          |
| A. Promoters                    |   |          |          |                   |   |          |          |                   |                          |
| (1) Indian                      |   |          |          |                   |   |          |          |                   |                          |
| a) Individual/HUF               | 6565240                                     | -        | 6565240  | 17.91             | 6565240                                   | -        | 6565240  | 17.91             | -                        |
| b) Central Govt. or State Govt. | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| c) Bodies Corporates            | 7436020                                     | -        | 7436020  | 20.29             | 7436020                                   | -        | 7436020  | 20.29             | -                        |
| d) Bank/FI                      | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| e) Any other                    | -   | -        | -        | -                 | -   | -        | -        | -                 | -                        |
| SUB TOTAL:(A) (1)               | 14001260                                    | -        | 14001260 | 38.20             | 14001260                                  | -        | 14001260 | 38.20             |                          |

| Category of Shareholders   | No. of Shares held at beginning of the year |               |                 |                   | No. of Shares held at the end of the year |               |                 |                   | % change during the year |
|--|---|---------------|-----------------|-------------------|---|---------------|-----------------|-------------------|--------------------------|
|  | Demat                                       | Physical      | Total           | % of Total Shares | Demat                                     | Physical      | Total           | % of Total Shares |                          |
| <b>(2) Foreign</b>   |   |               |                 |                   |   |               |                 |                   |                          |
| a) NRI-Individuals   | -   | -             | -               | -                 | -   | -             | -               | -                 | -                        |
| b) Other Individuals   | -   | -             | -               | -                 | -   | -             | -               | -                 | -                        |
| c) Bodies Corp.  | -   | -             | -               | -                 | -   | -             | -               | -                 | -                        |
| d) Banks/FI  | -   | -             | -               | -                 | -   | -             | -               | -                 | -                        |
| e) Any other   | -   | -             | -               | -                 | -   | -             | -               | -                 | -                        |
| <b>SUB TOTAL:(A) (2)</b>   | -   | -             | -               | -                 | -   | -             | -               | -                 | -                        |
| <b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>                        | <b>14001260</b>                             | <b>-</b>      | <b>14001260</b> | <b>38.20</b>      | <b>14001260</b>                           | <b>-</b>      | <b>14001260</b> | <b>38.20</b>      | <b>-</b>                 |
| <b>B. PUBLIC SHAREHOLDING</b>  |   |               |                 |                   |   |               |                 |                   |                          |
| <b>(1) Institutions</b>  |   |               |                 |                   |   |               |                 |                   |                          |
| a) Mutual Funds  | -   | 13000         | 13000           | 0.04              | -   | 13000         | 13000           | 0.04              | 0.00                     |
| b) Banks/FI  | 7901048                                     | -             | 7901048         | 21.56             | 7252417                                   | -             | 7252417         | 19.79             | -1.77                    |
| c) Central Govt.   | -   | -             | -               | -                 | -   | -             | -               | -                 | -                        |
| d) Foreign Portfolio Investors   | 253194                                      | -             | 253194          | 0.69              | 224937                                    | -             | 224937          | 0.62              | -0.07                    |
| e) State Govt.   | -   | -             | -               | -                 | -   | -             | -               | -                 | -                        |
| f) Venture Capital Fund  | -   | -             | -               | -                 | -   | -             | -               | -                 | -                        |
| g) Insurance Companies   | -   | -             | -               | -                 | -   | -             | -               | -                 | -                        |
| h) FIIS  | -   | -             | -               | -                 | -   | -             | -               | -                 | -                        |
| i) Foreign Venture Capital Funds   | -   | -             | -               | -                 | -   | -             | -               | -                 | -                        |
| j) Others (specify)  | -   | -             | -               | -                 | -   | -             | -               | -                 | -                        |
| <b>SUB TOTAL (B)(1):</b>   | <b>8154242</b>                              | <b>13000</b>  | <b>8167242</b>  | <b>22.29</b>      | <b>7477354</b>                            | <b>13000</b>  | <b>7490354</b>  | <b>20.45</b>      | <b>-1.84</b>             |
| <b>(2) Non Institutions</b>  |   |               |                 |                   |   |               |                 |                   |                          |
| <b>a) Bodies Corporate</b>   |   |               |                 |                   |   |               |                 |                   |                          |
| i) Indian  | 5788970                                     | 11505         | 5800475         | 15.83             | 4362356                                   | 9005          | 4371361         | 11.93             | -3.9                     |
| ii) Overseas   | 5493876                                     | -             | 5493876         | 14.99             | 5493876                                   | -             | 5493876         | 14.99             | -                        |
| <b>b) Individuals</b>  |   |               |                 |                   |   |               |                 |                   |                          |
| i) Individual shareholders holding nominal share capital upto ₹2 lakhs           | 2217227                                     | 213326        | 2430553         | 6.63              | 3561920                                   | 163166        | 3725086         | 10.16             | 3.53                     |
| ii) Individuals shareholders holding nominal share capital in excess of ₹2 lakhs | 335540                                      | -             | 335540          | 0.97              | 769519                                    | -             | 769519          | 2.10              | 1.13                     |
| <b>c) Others (specify)</b>   |   |               |                 |                   |   |               |                 |                   |                          |
| i) Clearing Member   | 198410                                      | -             | 198410          | 0.54              | 447454                                    | -             | 447454          | 1.22              | 0.68                     |
| ii) Non-Resident Individual  | 50828                                       | -             | 50828           | 0.14              | 144509                                    | -             | 144509          | 0.39              | 0.25                     |
| iii) NBFC's registered with RBI  | 1744  | -             | 1744            | 0.00              | 596                                       | -             | 596             | 0.00              | 0.00                     |
| iv) IEPF   | 100848                                      | -             | 100848          | 0.28              | 139261                                    | -             | 139261          | 0.38              | 0.10                     |
| v) Trust   | 49500                                       | -             | 49500           | 0.13              | 67000                                     | -             | 67000           | 0.18              | 0.05                     |
| <b>SUB TOTAL (B)(2):</b>   | <b>14256943</b>                             | <b>224831</b> | <b>14481774</b> | <b>39.51</b>      | <b>14986491</b>                           | <b>172171</b> | <b>15158662</b> | <b>39.51</b>      | <b>1.84</b>              |
| <b>Total Public Shareholding (B)= (B) (1)+(B)(2)</b>                             | <b>22411185</b>                             | <b>237831</b> | <b>22649016</b> | <b>61.80</b>      | <b>22463845</b>                           | <b>185171</b> | <b>22649016</b> | <b>61.80</b>      | <b>0.00</b>              |
| <b>C. Shares held by Custodian for GDRs&amp;ADRs</b>                             | -   | -             | -               | -                 | -   | -             | -               | -                 | -                        |
| <b>Grand Total (A+B+C)</b>   | <b>36307763</b>                             | <b>342513</b> | <b>36650276</b> | <b>100.00</b>     | <b>36465105</b>                           | <b>237831</b> | <b>36650276</b> | <b>100.00</b>     | <b>0.00</b>              |

**ii) Share Holding of Promoters**

| SI No        | Shareholders Name               | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change in share holding during the year |
|--------------|---------------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
|              |                                 | No. of shares                             | % of total shares of the company | % of shares pledged/encumbered to total shares | No. of shares                       | % of total shares of the company | % of shares pledged/encumbered to total shares |   |
| 1            | Anil Kumar Sethi                | 1775780                                   | 4.85                             | 100.00   | 1775780                             | 4.85                             | 100.00   | -   |
| 2            | Subhash Chand Sethi             | 1523280                                   | 4.16                             | 100.00   | 1523280                             | 4.16                             | 100.00   | -   |
| 3            | Sushil Kumar Sethi              | 1056985                                   | 2.88                             | 100.00   | 1056985                             | 2.88                             | 100.00   | -   |
| 4            | Deepak Sethi                    | 582250                                    | 1.59                             | 100.00   | 582250                              | 1.59                             | 100.00   | -   |
| 5            | Punam Chand Sethi               | 494625                                    | 1.35                             | -  | 494625                              | 1.35                             | -  | -   |
| 6            | Punam Chand Sethi (HUF)         | 372735                                    | 1.02                             | -  | 372735                              | 1.02                             | -  | -   |
| 7            | Anil Kumar Sethi (HUF)          | 334735                                    | 0.91                             | 100.00   | 334735                              | 0.91                             | 100.00   | -   |
| 8            | Suman Sethi                     | 183735                                    | 0.50                             | 100.00   | 183735                              | 0.50                             | 100.00   | -   |
| 9            | Shilpa Sethi                    | 181515                                    | 0.50                             | 100.00   | 181515                              | 0.50                             | 100.00   | -   |
| 10           | Vineeta Sethi                   | 59600                                     | 0.16                             | 100.00   | 59600                               | 0.16                             | 100.00   | -   |
| 11           | Zoom Industrial Services Ltd    | 2500000                                   | 6.82                             | 100.00   | 2500000                             | 6.82                             | 100.00   | -   |
| 12           | SPML India Ltd                  | 2119055                                   | 5.78                             | 100.00   | 2119055                             | 5.78                             | 100.00   | -   |
| 13           | 20th Century Engineering Ltd    | 1000000                                   | 2.73                             | 100.00   | 1000000                             | 2.73                             | 100.00   | -   |
| 14           | SPM Engineers Ltd               | 500000                                    | 1.36                             | 0.00   | 500000                              | 1.36                             | 100.00   | -   |
| 15           | International Constructions Ltd | 880945                                    | 2.40                             | 100.00   | 880945                              | 2.40                             | 100.00   | -   |
| 16           | Arihant Leasing And Holding Ltd | 436020                                    | 1.19                             | 100.00   | 436020                              | 1.19                             | 100.00   | -   |
| <b>Total</b> |                                 | <b>14001260</b>                           | <b>38.20</b>                     | <b>89.80</b>                                   | <b>14001260</b>                     | <b>38.20</b>                     | <b>93.81</b>                                   | <b>-</b>                                  |

**iii) Change in Promoters' Shareholding (please Specify, if there is no change)**

During the year under review there is no change in the Shareholding of the Promoter's of the Company.

**(iv) Shareholding Pattern of top Ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

| SI No | Shareholders Name                    | Shareholding at the beginning of the year |                                  | Shareholding at the end of the year |                                  |
|-------|--------------------------------------|---|----------------------------------|-------------------------------------|----------------------------------|
|       |                                      | No. of shares                             | % of total shares of the company | No of shares                        | % of total shares of the company |
| 1     | Client Rosehill Ltd.                 | 3521575                                   | 9.61                             | 5493876                             | 14.99                            |
| 2     | State Bank Of India                  | 2849006                                   | 7.77                             | 2241848                             | 6.12                             |
| 3     | Canara Bank                          | 1751336                                   | 4.79                             | 1751336                             | 4.79                             |
| 4     | Udgam Commercial Ltd.                | 1706906                                   | 4.62                             | 1706906                             | 4.62                             |
| 5     | ICICI Bank Ltd.                      | 1185639                                   | 3.24                             | 1145406                             | 3.12                             |
| 6     | Techno Mechanical Services Pvt. Ltd. | 728982                                    | 1.99                             | 728982                              | 1.99                             |
| 7     | Syndicate Bank                       | 555797                                    | 1.52                             | 555797                              | 1.52                             |
| 8     | Punjab National Bank                 | 495854                                    | 1.35                             | 495854                              | 1.35                             |
| 9     | Harsh Rohitbhai Patel                | -   | -                                | 388641                              | 1.06                             |
| 10    | Bank Of Baroda                       | 320243                                    | 0.87                             | 320243                              | 0.87                             |

**(v) Shareholding of Directors &KMP**

| SI<br>No | For Each of the Directors &KMP                   | Shareholding at the beginning<br>of the year |  | Cumulative Shareholding<br>during the year |  |
|----------|--|--|--|--|--|
|          |  | No. of shares                                | % of total<br>shares of the<br>Company | No of shares                               | % of total<br>shares of the<br>Company |
| <b>1</b> | <b>Subhash Chand Sethi (Whole-time-Director)</b> |  |  |  |  |
|          | At the beginning of the year                     | 1523280                                      | 4.12                                   | 1523280                                    | 4.12                                   |
|          | Change During the year                           |  | NIL                                    |  |  |
|          | Date   |  | Not Applicable                         |  |  |
|          | Reason   |  | Not Applicable                         |  |  |
|          | At the end of the year                           | 1523280                                      | 4.12                                   | 1523280                                    | 4.12                                   |
| <b>2</b> | <b>Sushil Kumar Sethi (Managing Director)</b>    |  |  |  |  |
|          | At the beginning of the year                     | 1056985                                      | 2.88                                   | 1056985                                    | 2.88                                   |
|          | Change During the year                           |  | NIL                                    |  |  |
|          | Date   |  | Not Applicable                         |  |  |
|          | Reason   |  | Not Applicable                         |  |  |
|          | At the end of the year                           | 1056985                                      | 2.88                                   | 1056985                                    | 2.88                                   |
| <b>3</b> | <b>Deepak Sethi (Non-Executive Director)</b>     |  |  |  |  |
|          | At the beginning of the year                     | 582250                                       | 1.59                                   | 582250                                     | 1.59                                   |
|          | Change During the year                           |  | NIL                                    |  |  |
|          | Date   |  | Not Applicable                         |  |  |
|          | Reason   |  | Not Applicable                         |  |  |
|          | At the end of the year                           | 582250                                       | 1.59                                   | 582250                                     | 1.59                                   |
| <b>4</b> | <b>Abhay Raj Singh (Company Secretary)</b>       |  |  |  |  |
|          | At the beginning of the year                     |  | NONE                                   |  |  |
|          | Change During the year                           |  |  |  |  |
|          | Date   |  |  |  |  |
| <b>5</b> | <b>Sujit Kumar Jhunjhunwala (CFO)</b>            |  |  |  |  |
|          | At the beginning of the year                     |  | NONE                                   |  |  |
|          | Change During the year                           |  |  |  |  |
|          | Date   |  |  |  |  |

**V INDEBTEDNESS**

| Indebtedness of the Company including interest outstanding/accrued but not due for payment |                                  |                 |          |                    |
|--|----------------------------------|-----------------|----------|--------------------|
| SI No  | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
| 1 Indebtedness at the beginning of the financial year                                      |                                  |                 |          |                    |
| i) Principal Amount  | 1,09,036.18                      | 17,595.23       | -        | 1,26,631.41        |
| ii) Interest due but not paid  | -                                | -               | -        | -                  |
| iii) Interest accrued but not due  | 20.48                            | -               | -        | 20.48              |
| Total (i+ii+iii)   | 1,09,056.66                      | 17,595.23       | -        | 1,26,651.89        |
| 2 Change in Indebtedness during the financial year   |                                  |                 |          |                    |
| Additions  | 2,526.49                         | -               | -        | 2,526.49           |
| Reduction  | -                                | 42.16           | -        | 42.16              |
| 3 Net Change   | 2,526.49                         | 42.16           | -        | 2,484.33           |
| 4 Indebtedness at the end of the financial year  |                                  |                 |          |                    |
| i) Principal Amount  | 1,11,529.47                      | 17,553.07       | -        | 1,29,082.54        |
| ii) Interest due but not paid  | 48.05                            | -               | -        | 48.05              |
| iii) Interest accrued but not due  | 5.63                             | -               | -        | 5.63               |
| Total (i+ii+iii)   | 1,11,583.15                      | 17,553.07       | -        | 1,29,136.22        |

\*Figures for March 31, 2018 have been regrouped to make comparable with current year figures.



## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole Time Director and/or Manager:

| SI No | Particulars of Remuneration  | Name of Whole Time Director    | Name of Managing Director     | Total              |
|-------|--|--------------------------------|-------------------------------|--------------------|
|       | <b>Gross salary</b>  | <b>Subhash Chand Sethi (₹)</b> | <b>Sushil Kumar Sethi (₹)</b> |                    |
| 1     | (a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961. | 1,15,93,996                    | 1,15,90,000                   | 2,31,83,996        |
| 2     | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961                   | 6,40,000                       | 6,40,000                      | 12,80,000          |
| 3     | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961    | -                              | -                             | -                  |
| 4     | Stock option   | -                              | -                             | -                  |
| 5     | Sweat Equity   | -                              | -                             | -                  |
| 6     | Commission as % of profit  | 66,34,853                      | 66,34,853                     | 1,32,69,706        |
| 7     | others :   |                                |                               |                    |
|       | Housing  | -                              | -                             | -                  |
| 8     | Others, please specify   | -                              | -                             | -                  |
|       | <b>Total (A)</b>   | <b>1,88,68,849</b>             | <b>1,88,64,853</b>            | <b>3,77,33,702</b> |
|       | <b>Ceiling as per the Act</b>  |                                |                               | <b>446.15</b>      |

### B. Remuneration to other directors:

| SI No  | Name  | Sitting Fees (₹) | Commission (₹) | Total Compensation (₹) |
|--|---|------------------|----------------|------------------------|
| <b>I Non-Executive Directors</b>                   |   |                  |                |                        |
| 1  | Mr. Deepak Sethi  | -                | -              | -                      |
|  | <b>Total (I)</b>  | <b>-</b>         | <b>-</b>       | <b>-</b>               |
| <b>II Independent Directors/ Nominee Directors</b> |   |                  |                |                        |
| 1  | Mr. Prem Singh Rana   | 360,000          | -              | 360,000                |
| 2  | Mr. Sarthak Behuria   | 310,000          | -              | 310,000                |
| 3  | Ms. Archana Capoor*   | 50,000           | -              | 50,000                 |
| 4  | Dr. Dinesh Kumar Goyal  | 230,000          | -              | 230,000                |
| 5  | Mr. Sushil Kumar Roongta#   | 80,000           | -              | 80,000                 |
| 6  | Mr. Supriyo Kumar Chaudhuri   | 240,000          | -              | 240,000                |
|  | <b>Total (II)</b>   | <b>12,70,000</b> | <b>-</b>       | <b>12,70,000</b>       |
|  | <b>Grand Total (I + II)</b>   | <b>12,70,000</b> | <b>-</b>       | <b>12,70,000</b>       |
|  | <b>Overall Ceiling as per the Companies Act, 2013 (excluding Sitting Fee)</b> |                  |                |                        |

\*Resigned from the Board w.e.f 13.08.2019

# Resigned from the Board w.e.f 18.01.2019

### C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD

| SI No | Particulars of Remuneration  | Key Managerial Personnel                     |  |                         |
|-------|--|--|--|-------------------------|
|       | <b>Gross Salary</b>  | <b>Abhay Raj Singh Company Secretary (₹)</b> | <b>Sujit Kumar Jhunjunwala CFO (₹)</b> | <b>Total Amount (₹)</b> |
| 1     | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | 24,00,000                                    | 26,08,500                              | 50,08,500               |
|       | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961                       | -  | -                                      | -                       |

| Particulars of Remuneration |   | Key Managerial Personnel                    |  |                  |
|-----------------------------|---|---|--|------------------|
| SI No                       |   | Abhay Raj Singh<br>Company<br>Secretary (₹) | Sujit Kumar<br>Jhunjhunwala<br>CFO (₹) | Total Amount (₹) |
|                             | Gross Salary  |   |  |                  |
|                             | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | -   | -                                      | -                |
| 2                           | Stock Option  | -   | -                                      | -                |
| 3                           | Sweat Equity  | -   | -                                      | -                |
| 4                           | Commission  | -   | -                                      | -                |
|                             | as % of profit  | -   | -                                      | -                |
|                             | others, specify   | -   | -                                      | -                |
| 5                           | Others, please specify  | -   | -                                      | -                |
|                             | <b>Total</b>  | <b>24,00,000</b>                            | <b>26,08,500</b>                       | <b>50,08,500</b> |

## VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCE:

| SI No     | Type                             | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority (RD/CLB/ NCLT/ Court) | Appeal made if any (give details) |
|-----------|----------------------------------|------------------------------|-------------------|--|---------------------------------|-----------------------------------|
| <b>A.</b> | <b>COMPANY</b>                   |                              |                   |  |                                 |                                   |
|           | Penalty                          |                              |                   | N. A   |                                 |                                   |
|           | Punishment                       |                              |                   |  |                                 |                                   |
|           | Compounding                      |                              |                   |  |                                 |                                   |
| <b>B.</b> | <b>DIRECTORS</b>                 |                              |                   |  |                                 |                                   |
|           | Penalty.                         |                              |                   | N. A   |                                 |                                   |
|           | Punishment                       |                              |                   |  |                                 |                                   |
|           | Compounding                      |                              |                   |  |                                 |                                   |
| <b>C.</b> | <b>OTHER OFFICERS IN DEFAULT</b> |                              |                   |  |                                 |                                   |
|           | Penalty                          |                              |                   | N. A   |                                 |                                   |
|           | Punishment                       |                              |                   |  |                                 |                                   |
|           | Compounding                      |                              |                   |  |                                 |                                   |

**Subhash Chand Sethi**  
Chairman

**Abhay Raj Singh**  
Company Secretary

## ANNEXURE - 5

### 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 2018-19    | 353510 |
| The percentage increase in median remuneration of employees in the Financial Year | 12%    |
| The number of permanent employees on the rolls of Company as on 31st March, 2019  | 692    |

#### 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:

|  |   |   |  | (₹ in Lakhs)  |
|--|---|---|--|---|
| Name of Director                         | Remuneration for financial Year 2018-19 | Remuneration for financial Year 2017-18 | % increase in remuneration in the Financial Year 2018-19 | Ratio of Remuneration to median remuneration of all employees |
| <b>Independent Directors</b>             |   |   |  |   |
| Mr. Sarthak Behuria <sup>1</sup>         | -                                       | -                                       | -  | -   |
| Mr. Prem Singh Rana <sup>1</sup>         | -                                       | -                                       | -  | -   |
| Mrs. Pavitra Joshi Singh <sup>1</sup>    | -                                       | -                                       | -  | -   |
| Dr. Dinesh Kumar Goyal <sup>1</sup>      | -                                       | -                                       | -  | -   |
| <b>Nominee Directors</b>                 |   |   |  |   |
| Mr. Supriyo Kumar Chaudhuri <sup>1</sup> | -                                       | -                                       | -  | -   |
| <b>Non-Executive Directors</b>           |   |   |  |   |
| Mr. Deepak Sethi                         | -                                       | -                                       | -  | -   |
| <b>Executive Directors/KMP</b>           |   |   |  |   |
| Mr. Subhash Chand Sethi                  | 188.69                                  | 113.14                                  | 66.78  |   |
| Mr. Sushil Kumar Sethi                   | 188.65                                  | 119.14                                  | 58.34  |   |
| Mr. Abhay Raj Singh                      | 24.00                                   | 24.16                                   | -  |   |
| Mr. Sujit Jhunjhawala                    | 26.09                                   | 22.72                                   | 14.83  | -   |

1 Except sitting fees there was no remuneration or commission was paid to Independent directors and Nominee Director.

3. During the financial year 2018-19 the median remuneration of all the employees was increased by 12%. The total remuneration of the KMPs for the financial year 2018-19 was ₹427.43 lakh as against ₹279.16 lakh in the previous year. The percentage of increase in the remuneration during the financial year 2018-19 to Mr. Subhash Chand Sethi, Chairman & Whole Time Director and Mr. Sushil Kumar Sethi, Managing Director, Mr. Sujit Kumar Jhunjhunwala, CFO was 66.78%, 58.34% and 14.83% respectively, whereas there is no change in the remuneration to Company Secretary during the financial year 2018-19.

#### 4. Remuneration is as per the remuneration policy of the Company.

## ANNEXURE - 6

### 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 2018-19

| SI No | Name                     | Designation                              | Remuneration | Qualification                       | Experience | Date of Commencement of Employment | Age | Last Employment                     |
|-------|--------------------------|--|--------------|-------------------------------------|------------|------------------------------------|-----|-------------------------------------|
| 1     | Abhinandan Sethi         | Chief Operating Officer                  | 9,461,610    | BBA                                 | 7.3        | 01.12.2011                         | 31  | SPML Infra Ltd.                     |
| 2     | Amitava Basu             | Executive Vice President- Projects       | 6,000,000    | M. TECH - ELECTRICAL                | 28.7       | 01.08.1995                         | 54  | Consolidated Energy Consultant Ltd  |
| 3     | Malay Kanti Chakraborti  | Executive Vice President                 | 5,000,002    | B.E. MECHANICAL                     | 29.6       | 02.06.1998                         | 50  | Batliboi Ltd                        |
| 4     | Ganpathi Hedge           | Vice President- Projects                 | 4,672,070    | DCA                                 | 29         | 01.01.2017                         | 53  | Micropack & Minicircuits            |
| 5     | Govardhan Gaddam         | Vice President- Corporate                | 3,630,048    | B. TECH- MECHANICAL/ MBA-MGT        | 31.03      | 16.04.2014                         | 56  | Mac Donald Pvt. Ltd.                |
| 6     | D P Mukherjee            | Vice President- Projects                 | 3,030,684    | DCE                                 | 31.6       | 18.12.1991                         | 57  | Enertek Engineering                 |
| 7     | Nandishwara M            | Vice President                           | 3,000,504    | M. TECH (ENVIRONMENTAL ENGINEERING) | 27         | 01.01.2018                         | 53  | Technomechanical                    |
| 8     | Tariq Siddiqui           | General Manager- Corporate Communication | 2,700,003    | MBA-MKTG/PHD                        | 24.03      | 01.10.2010                         | 49  | Moksh Promotions Ltd.               |
| 9     | O. Visveshwaraiah        | General Manager- Projects                | 2,640,001    | B.E. CIVIL/ M.E.- STRUCTURES        | 29         | 04.07.1994                         | 51  | Trans India Lamps Ltd.              |
| 10    | Sujit Kumar Jhunjhunwala | Chief Finance Officer                    | 2,608,500    | CA                                  | 24         | 29.03.2017                         | 52  | Khetan Financial Services Pvt. Ltd. |

#### Notes:

- The nature of employment in all cases is contractual
- None of the employee held any equity shares in the Company as cited in Clause (iii) of Rule 5(2)
- 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. Name of the employees who are in receipt of aggregate remuneration not less than Rupees One Crore and Two Lakh during the financial Year 2018-19

| Name | Age (Years) | Designation/ Nature of Duties | Gross Remuneration (₹) | Qualifications | Experience (Years) | Date of Commencement of Employment | Previous Employment/ Position Held |
|------|-------------|-------------------------------|------------------------|----------------|--------------------|------------------------------------|------------------------------------|
| (1)  | (2)         | (3)                           | (4)                    | (5)            | (6)                | (7)                                | (8)                                |
| None |             |                               |                        |                |                    |                                    |                                    |

### 3. Name of the employees who are in receipt of aggregate remuneration not less than Rupees Eight lakh and Fifty Thousand employed during the part of the financial Year 2018-19

| Name | Age<br>(Years) | Designation/<br>Nature of<br>Duties | Gross<br>Remuneration<br>(₹) | Qualifications | Experience<br>(Years) | Date of<br>Commencement<br>of Employment | Previous<br>Employment/<br>Position Held |
|------|----------------|-------------------------------------|------------------------------|----------------|-----------------------|--|--|
| (1)  | (2)            | (3)                                 | (4)                          | (5)            | (6)                   | (7)                                      | (8)                                      |
| None |                |                                     |                              |                |                       |  |  |

On behalf of the Board

Place: Gurgaon  
Date: 30th May, 2019

**Subhash Chand Sethi**  
Chairman



## ANNEXURE - 7

### 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 installed Solar Power Generation Plant on the roof of its Corporate Office at Gurgaon. The Plant is generating 21 KW of electricity for the internal use of the Company and helps to save more than 27,000 units of electricity per year.

##### 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

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

#### C. Foreign Exchange Earnings and Outgo

| (₹ in Lakh)                     |         |         |
|---------------------------------|---------|---------|
| Particulars                     | 2018-19 | 2017-18 |
| Earnings in Foreign Exchange    | -       | -       |
| Value of imports (CIF Value)    | -       | -       |
| Expenditure in Foreign Exchange | -       | 8.67    |

On behalf of the Board

Place: Gurgaon  
Date: 30th May, 2019

**Subhash Chand Sethi**  
Chairman

# MANAGEMENT DISCUSSION & ANALYSIS (MD&A)

## Economic Scenario

### Global

Global economic growth is expected to slow to 2.9% in 2019. International trade and investment are moderating, trade tensions remain elevated, and financing conditions are tightening. Amid recent episodes of financial stress, growth in emerging market and developing economies has lost momentum and is projected to stall at 4.2% this year, with a weaker-than-expected rebound in commodity exporters accompanied by deceleration in commodity importers. High indebtedness has become a critical feature of the global economy. In the last decade, debt levels have risen visibly across countries and sectors, fueled by ultra-loose monetary policies in major economies.

Public and private debts have reached historical highs in many countries. According to the United Nations Conference on Trade and Development, the global debt stock is nearly one-third higher than in 2008 and more than three times global gross domestic product (GDP). The major countries have recorded a mixed trend in their GDP growth, Eurozone increased to 0.2% in 4Q18 from 0.1% in 3Q18, Germany recorded nil growth rate in 4Q18 from a contraction of 0.6% in 3Q18, Japan's growth rate increased to 0.5% in 4Q18 from (-)0.6% in 3Q18. On the other hand, growth rate of US declined to 2.2% in 4Q18 from 3.4% in 3Q18, UK's growth declined to 0.2% in 3Q18 from 0.1% in 2Q18, China's growth stood at 1.5% in 4Q18 as compared to 1.6% in 3Q18. India's QoQ also

declined to 1.5% in 3Q18 from 1.8% in 2Q18. Economic health of manufacturing and service sector, as implied by manufacturing PMI, declined for most of the economies in March 2019.

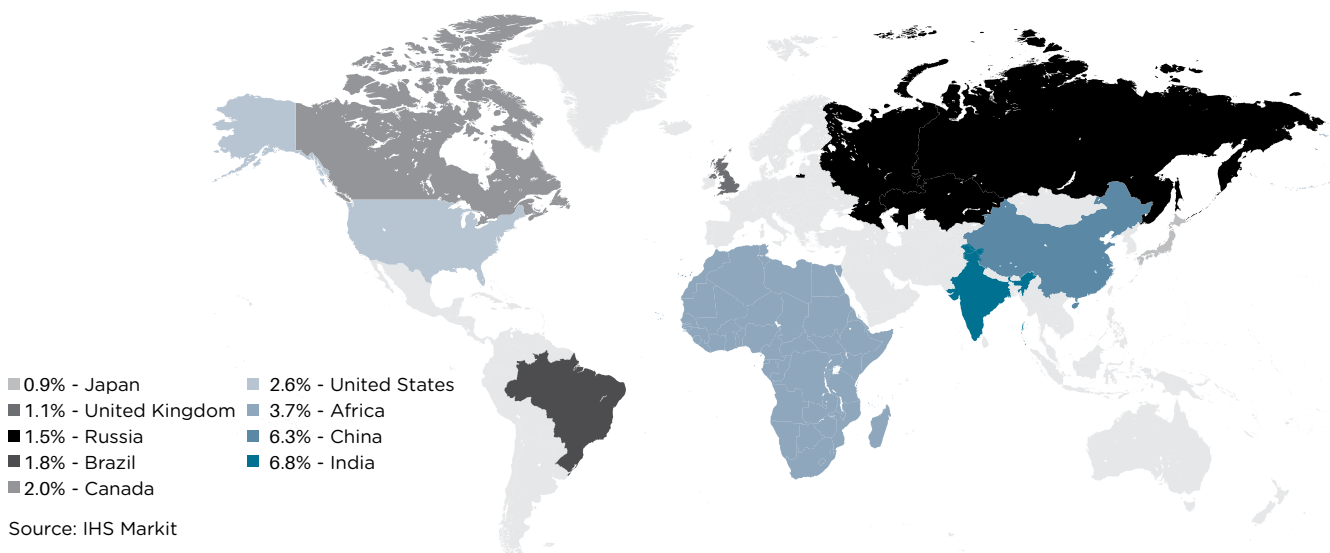
Trade balance in major economies in the global ecosystem recorded a mixed trend. While trade deficit of the economies such as US and India narrowed; Brazil recorded an increase in trade surplus, while UK's trade deficit widened and Russia's and China's trade surplus declined. Unemployment rate in most of the economies recorded a mixed trend. Economies including Italy, Russia and India recorded an increase in their unemployment rate, while economies such as United States, United Kingdom and Japan recorded a dip in the same indicator.

Going ahead, the world should move towards global integration to achieve remarkable growth with enhanced labor market and an increased openness to trade. Further, structural policy ambition needs to be improved in all economies and fiscal policy and structural reforms should combine to improve economic prospects.

### India

The Indian economy retained its tag of the fastest growing major economy in the world in FY19 for a second year in a row as it continued its climb on an upward growth path. The economy registered a growth rate of 6.8% during the 2018-19 as per Central Statistical Office.

### Real GDP growth rates for select economies in 2019



The economy is projected to grow at the rate of 7.5% during 2019-20, expanding further to 7.7% during 2020-21 as per the International Monetary Fund (IMF) World Economic Outlook update. The growth rates for the economy are pegged much higher than the global growth rates for the same years, at 3.5% and 3.6% for 2019 and 2020 respectively, thus placing the economy on a solid footing even amidst growing global uncertainties. The Indian economy witnessed robust industrial growth during FY 2018-19 and the momentum is expected to continue next year as well. The Index of Industrial Production (IIP) with base 2011-12 for the April-January period for 2018-19 registered a 4.4% increase over the corresponding period for the previous year.

The manufacturing sector is expected to post robust growth with the sector's GVA growth estimated at 8.1% in 2018-19 as compared to 5.9% during 2017-18. Growth in the sectors including trade, hotel, transport, communication and services related to broadcasting, which moderated during the first half of the year is expected to pick up on account of improved domestic demand conditions. GVA growth for these sectors is estimated to grow by 7.3% in 2018-19 in contrast to 6.2% in 2017-18. Construction sector is expected to grow by 8.9% during 2018-19 as compared to 5.6% during 2017-18. The consumer durables market is expected to pick up supported by rising disposable incomes, greater electrification and FDI investments. The FMCG sector continues to perform well and is expected to grow further, fueled by rising consumption and investment patterns. Retail businesses also continue to grow and present more growth opportunities as new retail outlets and malls open up.

On the trade front, Indian exports grew by 3.74% over January 2018 to reach US\$ 26.36 billion in January 2019. Drugs and pharmaceuticals, organic and inorganic chemicals and readymade garments were the top performing commodity groups with growth rates of 15.2%, 15.56% and 9.33% respectively.

Overall trade including services trade for India is estimated at around US\$ 440 billion for April-January 2019, exhibiting a positive growth rate of 9.07% over the corresponding period during last year. Export growth is expected to gain further pace as global trade tensions ease.

## Industry Scenario

### Infrastructure Sector

The infrastructure and construction sector is the major driver for India's economic growth and development. This sector is highly responsible for propelling the country's overall advancement, and receives intense focus from the government for the sector. Apart from new construction

projects, the government has also acknowledged the need to ameliorate the aging infrastructure of water supply, roads, bridges, dams, ports, airports, telecommunication, power transmission and distribution, and other urban infrastructure. For this purpose, numerous schemes have been introduced by the government for contributing towards top-notch infrastructure for the country. With regard to the growth during the year, FDI into the sector reached US\$1459 million by December 2018. Sector exports also increased from US \$ 1004 million in 2012 to US \$ 2256 million in 2018. Further, the sector had the second largest share in the FDI inflows. During December 2018, infrastructure sector witnessed Private Equity and Venture Capital making twelve deals worth US\$ 500 million and eight US\$ 1 billion plus deals.

While there has been a considerable progress in the sector, there are many challenges that need to be addressed. It includes investment gaps, funding issues, land acquisition and environmental clearance, lack of coordination between various government agencies, inappropriate structuring of projects, payment and execution delays, old methods of construction and lack of adoption of innovative technologies etc. There are even possibilities of certain project failures or termination prior to the project term owing to a number of reasons including changes in government policy, failure by the developer or the government to perform their obligations or indeed due to other external circumstances.

### Technological advancements

Technological advancements are changing the method by which infrastructure projects are built and operated. The newer technologies are rapidly transforming and remodelling the infrastructure development globally. Some of the new technologies contributing to infrastructure development are:

- **3D printing technology:** The 3D printing technology has transformed infrastructure with 3D-printed buildings in China and getting replacement parts printed on-site to maintain power infrastructure efficiently in Netherlands. India too is catching up with this technology for infrastructure development and maintenance.
- **Project tracker:** It is another technological advancement that uses smartphones in project execution with real time information between project execution teams and the management that helps in swift remedial steps for areas that needs urgent attention.
- **Internet of Things (IoT):** The IoT with a network of digitally connected objects, devices, vehicles with sensors and intelligent computing capabilities has revolutionised infrastructure projects with remote

real-time monitoring and control of equipment, faster and smarter business intelligence for decision making, real time location tracking and safety of work force among many other facilities.

- **Artificial Intelligence:** Artificial Intelligence brings about a transformation in the infrastructure segment, eventually initiating infrastructure that is not only self-driven but also flawless. With the ripe data base and necessary applications in place, the principles of AI helps to reduce congestion on roads, aid civic bodies in addressing citizen grievances, assists timely repair and maintenance of public property, thereby improving the quality of life of city dwellers.
- **3D Design:** Placing focus on sustainable living and smart housing of the future, 3D design (or 3D modelling) is expected to play a key role in designing and recreating contours of construction. It involves creating a digital model of an asset or an environment already built in real time using a combination of LiDAR, photogrammetry and other emerging technologies. It provides a quick and economical way of sharing the existing state of an asset with an engineering team to help them make design, construction or operational decisions using a digital engineering model.
- **Intelligent Logistics:** Logistics play a vital role in the infrastructure segment, in the process of planning, implementing and controlling supply chain resources, from the point of origin, such as raw material accumulation, to the point of destination. Efficient logistics management enhances efficiency and productivity, having a positive overall impact on the cost and time.

#### Government Initiatives

- A new committee to lay down standards for metro rail systems was approved in June 2018.
- As of March 2019, 32 metro rail projects were ongoing or were under construction.
- ₹2.05 lakh crore (US\$ 31.81 billion) invested in the smart cities mission. All 100 cities have been selected as of June 2018.
- The Government of India is working to ensure a good living habitat for the poor in the country and has launched a new flagship urban mission, the Pradhan Mantri Awas Yojana (Urban).
- In May 2018, construction of additional 150,000 affordable houses was sanctioned under Pradhan Mantri Awas Yojana (PMAY), Urban.
- As of July 2019, 99.96% of rural household have toilets as compared to 38.7% in 2014

#### 2019-2020 Budget Highlights

- Vision for \$5 trillion economy driven by investment
- Strengthening connectivity Infrastructure thru water grid, gas grid, I-grid, power grid and regional airports
- To invest ₹100 lakh crore in infrastructure development in the next five years
- Measures for boosting infrastructure financing: Credit Guarantee Enhancement Corporation to be set up, action plan to deepen long term bonds market, permit transfer of FII/FPI investment in debt securities issued by IDF-NBFCs to domestic investors
- Ministry of Housing and Urban Affairs has been allocated ₹480 billion for 2019-2020 against ₹429.65 billion last year. Allocations to three major urban infrastructure development programs – ₹64.50 billion for Smart Cities Mission; ₹73 billion for Atal Mission for Rejuvenation and Urban Transformation (AMRUT); and ₹26.50 billion to Swachh Bharat Mission (Urban)
- PMGSY-III is envisaged to upgrade 1,25,000 kms of road length over the next five years, with an estimated cost of ₹80,250 crore
- Bharatmala phase 2 to be launched. State road networks will be developed

#### Progress of Existing Schemes

- **Smart Cities Mission:** Launched on 5 June 2015, Smart Cities Mission is a flagship scheme under the Ministry of Housing and Urban Affairs to develop 100 smart cities in India. Under the scheme, the development so far as reported by the nodal ministry suggest that all 100 Special Purpose Vehicles (SPVs) are formed for the development of 100 smart cities. The 100 City Level Advisory Forums (CLAFs) have been constituted along with the appointment of 100 Project Management Consultants (PMCs) to oversee the progress. Under the mission, a total of 5,151 projects worth ₹2.05 lakh crore has been sanctioned and a further 3,423 projects worth ₹1.31 lakh crore is under various stages of tendering. ₹15,504 crore worth of works related to smart city development has been completed and works worth ₹75,626 crore is under execution. Apart from project progress, 16 Smart City Centres has already been operationalized. It is estimated that the development works for the first 20 smart cities will be completed by 2021.

**₹ 15,504 crore**

Worth of works related to smart city development completed by July 25, 2019.

- **Pradhan Mantri Awas Yojana (Urban)- Housing For All:** Launched on 25 June 2015, the initiative aimed at providing 20 million affordable homes for the urban poor including slum dwellers by March 2022. As per recent data by the union ministry, 85 lakh houses have been approved in last 4 years of implementation, over 28 lakh houses are grounded and in various stages of construction and 26 lakh houses have been completed with 100% occupancy by the beneficiaries.
- **Swachh Bharat Mission - Urban:** Launched on 2 October 2014, the Swachh Bharat Mission is the government's nationwide flagship programme with the objective of universal sanitation coverage in urban areas with a budget allocation of ₹26.5 billion for 2019-20. As per the recent data, 9.99 crore household toilets have already been built and 5.92 lac villages have been declared as open-defecation-free (ODF) comprising of 640 districts and 2.56 lacs Gram Panchayat.

**AMRUT (Atal Mission for Rejuvenation and Urban Transformation):** Launched in 2015, the emphasis of the AMRUT scheme was on infrastructure creation in 500 cities that has a direct link to provision of better services to the citizens. The allocated budget under the scheme was around ₹50,000 crore for the period 2016 - 2021. As per the recent updates, out of the DPRs approved for ₹78,800 crore, contracts have been awarded for projects worth ₹61,519 crore, including completed projects of ₹4,744 crore. Further, for projects worth ₹12,307 crore, Notice Inviting Tenders (NITs) have been issued.

**National Mission for Clean Ganga (NMCG):** River cleaning is a continuous process and NMCG supplements the efforts of the government by providing them financial assistance. So far, the scheme has sanctioned 297 projects for more than ₹28,504 crore and has spent about ₹7,156 crore in last 5 years. Of these, 150 are sewerage infrastructure projects, 12 bioremediation, a modular sewerage treatment plant, a rural sanitation project, 74 ghats and crematoria, 24 bio-diversity and afforestation and 35 other projects.

₹ **7,156** crore

Spent in last five years under NMCG scheme

### Key Challenges

- The inordinate delays in payment by clients puts tremendous pressure and results in negative cash flows from operations.
- The absence of a regulatory authority for protecting the interest of developers and resolving the disputes, hinders project completion leading to cost overrun that adds risk and can ultimately lead to financial difficulties and project failure.
- Rising incidence of bank frauds and NPAs creates difficulties in obtaining long term financial lending for the developers resulting in project failure or closure of incomplete works.
- Inefficient performance by an infrastructure system as a result of output lost in delivery affects the project completion. This may occur due to inefficient use of labour, materials etc.
- Inadequate maintenance imposes large recurrent and capital costs. As a result of this, capacity is lost, output declines, and substantial additional investment is needed simply to sustain existing levels of service.

### Outlook

India has an investment requirement of worth ₹50 trillion (US\$ 720 billion) for infrastructure by 2022 to have sustainable development in the country. The sector can be expected to benefit and grow at a healthy pace if it finds favour from foreign investors and development schemes. The government likewise, has initiated a number of measures to increase the speed of construction. The growing accentuation on infrastructure development and improvement is in line with the growth plans that the government has fixed for themselves. The proposed investment in several new schemes is speculated to result in the healthy growth of the infrastructure sector. Newer opportunities are additionally expected in the region of urban infrastructure, such as development of smart cities, expansive urban transport, sanitation, and water supply projects. Going ahead, the sector is poised to rebound with new chances and opportunities.

### Water Sector

Water management sector in India has progressed over the years and developed into a tremendous business attracting water companies and equipment manufacturers from all over the world. Over the years India's population have been increasing at a healthy rate while the water table has been depleting severely due to over extraction and uncontrolled usage. As per the Global Risk Report, water has been one of the top 5 global



risks for the 7<sup>th</sup> consecutive year in a row. The powerful pattern of rising human populations, faster urbanization and industrialization combined with climate change are striking against obsolete water management practices and insufficient, aging infrastructure. India has only 4% of world's water resources to feed 16% of the world population and 15% of livestock. The country ranks 133<sup>rd</sup> out of 180 nations in terms of water availability and 120<sup>th</sup> out of 122 nations in terms of water quality. According to estimates, India's water sector requires investment worth ₹6.3 trillion to improve and sustain for the next five years.

### Waste water

It has been assessed that, on an average, high income countries treat about 70% of the wastewater they generate, while the ratio drops to 38% in upper middle income countries and further to 28% in lower middle income countries. In low income countries, only about 8% of industrial and municipal wastewater undergoes any kind of treatment. Nearly 80% of sewage generated in urban India goes untreated. As per evaluations, around 62,000 million litres per day (MLD) sewage is generated by India's urban population alone, while the treatment capacity across India is only 23,277 MLD, or 37% of sewage generated. The untreated wastewater is mostly discharged directly into water bodies, contaminating almost three-fourth of India's surface water resources and underground water. It has been evaluated that 80% of India's surface water is polluted which results in India losing US\$ 6 billion consistently, every year, due to water-related diseases. Challenges faced by the Indian water sector results from increasing water consumption and wastage in urban areas, water-borne diseases, industrial growth, political and regulatory disputes, water cycle imbalances, increasing irrigation and agricultural demand, lack of technology, etc.

**~62,000 million litres per day**

Sewage generated by Indian urban population

### Challenges

- Limited Supply:** Meeting India's rising water requirements is becoming one of the biggest challenges that are being faced by the water utilities. Topographic constraints, distribution pattern, technical limitation, and poor management do not allow India to harness its water resources efficiently. Moreover, pollution has also turned water undrinkable and unsafe for use. As per the Ministry of Water Resources, per capita water availability in 2025 and 2050 is estimated to come down by almost 36% and 60% respectively of the 2001 levels.
- Rising Demand:** Demand of water in India is growing exponentially and is soon projected to overtake the availability. Domestic demand is anticipated to grow by around 40% from 41 to 55 trillion litres while irrigation is likely to require 14% more to 592 trillion litres from 517 trillion litres currently. While agriculture will remain the major water user in India, the challenges posed by growing urbanization on municipal water supply calls for a monumental change.
- Population Growth:** India is the second most populated country in the world having population equivalent to 17.74% of the total world population. The factor driving the tremendous rise in population is fall in death rate due to improvement in medical facilities whereas the birth rate is continuing on the same pattern. With an annual increase of about 1.3%, India's current population has reached around 1.36 billion. The water sources remained unchanged and the pressure of population explosion is evident with the availability of water supply.
- Poor Quality:** Millions of people in India are still deprived of piped water supply and despite progress made in several fields; the level of water pollution is increasing considerably. Industrial effluents are inadequately treated and being dumped into local rivers and water bodies further limiting the availability of clean water sources.
- Non-Revenue Water (NRW):** NRW is the water that is produced but fails to generate revenue for utility as it is lost before reaching the end-user. Losses can be a result of leakages or theft or metering inaccuracies. The NRW level is quite high in India, which results in huge volumes of treated water being lost during transmission and distribution. This affects the financial health of water utilities through lost revenues and increased operational costs. A high level of NRW indicates poor management of water utilities, governance issues, lack of accountability as well as the technical and managerial skills necessary to provide reliable services to the citizens.
- Lack of funding:** The investment requirements in the water sector are substantial, and the current level of investment leaves much to be desired. The fundamental problem lies in the lack of attractiveness of the sector due to various issues, owing to which private players have been cautious in investing their funds. The situation is further aggravated by the poor financial health of ULBs that are still struggling to garner funds for meeting their expenditure requirements. Further, huge investments are needed to repair and upgrade the aging water infrastructure.

- **Asset Management:** With a growing economy and changing lifestyle, the pressure on already strained water resources is increasing. Management of water supply has become a challenging task owing to population growth, expansion in industrial and agricultural activities, changing climate scenarios, rapidly depleting water resources, and deteriorating infrastructure and water quality. Inefficient management of the water infrastructure assets causes operation costs to rise steeply, and utilities quickly find themselves submerged with no means to justify the rate increases necessary to continue providing services at minimum acceptable levels.

**~5 million**

Deaths Caused by contaminated water annually

### Solutions

- **Consolidation and privatization:** The water industry in India is fragmented and over the last two decades, it has seen a number of consolidation and partial privatization bids under public private partnership mode which is expected to continue. Consolidation of the water industry also opens up opportunities for private sector service providers. Globally, about 14% of the world's population is served by private operators that provide drinking water and wastewater treatment services, and is expected to rise to 21% by 2025.
- **Water reuse:** About 62000 million litres of municipal wastewater is produced per day while the total capacity of sewage treatment per day is only about 23000 million litres. In order to address the challenges of water shortage, it is essential to develop treatment plants as well as make reuse of water obligatory for selected sector and agriculture.
- **Desalination:** Desalination is a viable solution to water scarcity, especially in dry, coastal regions like Mumbai, Chennai and other cities where no other options exist. More than 90 million cubic meters of water per day is being produced by desalination plants. In India, there are around 1,000 desalination plants having a total capacity of about 0.3 million cubic meters per day.
- **Smart Metering:** Smart water metering is crucial to limiting water losses in the distribution network and reducing non-revenue water. The faulty water meters contribute to water loss as it is not billed due to leakage, illegal use and inadequate measurement. Modern water meters now have components that automatically record and/or transmit electronic data on water use directly to the utilities.

### Government Initiatives

Recognising the importance of water security, the government has introduced the following schemes and reforms for the purpose of treatment of waste water:

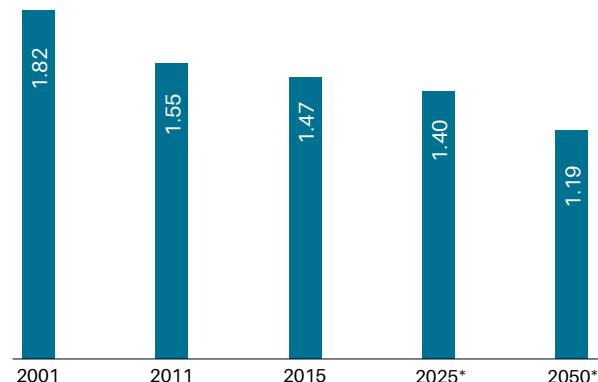
National Mission for Clean Ganga:

- New sewage treatment plants with a capacity of 2,278.08 MLD and restoration of 574.8 MLD existing STPs are proposed.
- Of a total of 97 sanctioned projects, 20 projects have been already completed, which has created 262 MLD STP capacities, rehabilitated 92 MLD STP capacities and 1,706 km of sewer network.
- 45 sewage infrastructure projects are currently under execution to create 834 MLD sewage treatment capacities.
- 32 projects are under various stages of tendering which envisages creating 1,758 MLD sewage treatment capacities.

### 2019-2020 Budget Highlights

- Swachh Bharat Mission to undertake sustainable solid waste management in every village
- The Jal Shakti Ministry which is executing the government's mission to provide clean and piped drinking water to every household in the country, has been allocated ₹282.61 billion in the budget 2019-20 to ensure Har Ghar Jal (piped water supply) to all rural households by 2024 under the Jal Jeevan Mission
- Jal Marg Vikas project develop inland waterways to shift a significant portion of inland cargo movement from road and rail

### Per capita water available for all purposes (MN litres per year)



\* Projected

Source: [https://www.business-standard.com/article/economy-policy/from-water-stressed-to-water-scarce-demand-to-rise-availability-declining-118032300009\\_1.html](https://www.business-standard.com/article/economy-policy/from-water-stressed-to-water-scarce-demand-to-rise-availability-declining-118032300009_1.html)

## Outlook

Even though water is paramount to human sustainability, its misuse is recorded in the form of wastage and contamination. The future of water in India is tempestuous and our water infrastructure development and management is mostly non-sustainable for a longer period. With economic development, rapid urbanization and population growth, India's water demand is increasing significantly. The demand supply gap is getting wider and the water conflict is surfacing as a common phenomenon.

With the record of being the world's second largest population at 1.37 billion, the nation is currently expected to become the most populous by 2024 and continue growing for years to 1.7 billion by 2050. Hence India finds it difficult to serve the vast majority of that populace with safe, clean water. In the next few decades, the demand for water is projected to grow by over 20%, driven primarily by the population and industrial growth and per capita surface water availability is likely to be reduced to 1401 m<sup>3</sup> by the year 2025 and further decline to 1191 m<sup>3</sup> by 2050.

## Power Sector

The Indian power sector is considered to be one of the most diversified sectors in the world. With a total installed power generating capacity of 350.16 GW as of March 2019, India emerged as the 3<sup>rd</sup> largest producer and consumer of electricity in the world. The installed renewable power generation capacity has increased at a fast pace in the course of a few years, projecting a CAGR of 19.78% between FY14-18. Moreover, the government is anticipated to be setting up a renewable power generation capacity of 175 GW by 2022. The Central Electricity Authority has projected an investment of ₹11,55,652 crore in the power generation sector during 2017-2022. As of January 2019, all India peak demand registered a growth of 4% over the peak demand recorded in January 2018. The rising demand was met from higher generation by both thermal and renewable energy plants.

## Growth Drivers

- The transmission network infrastructure is expected to undergo significant development in the coming years. As of March 2019, the total transmission line length stood at 413,407 ckm. By 2021-22, more than 85,000 ckt. km of transmission lines and 230,000 MVA of transformer capacity are expected to be added to the grid.
- Metro rail projects and railway electrification projects have significantly contributed to the increase in demand for distribution of transformers and they are set to drive the transformer demand in the future backed by the increased government spending in the sector.
- High capacity green energy corridors are under implementation, which will facilitate the interconnection of large-scale renewables into the national grid. In addition, transmission schemes for 7,200 MW of ultra-mega solar power parks are being implemented in various states as part of the second phase of the green energy corridors scheme.
- The government planning on increasing the fleet of EVs in the country with a target of 30% EVs by

2030. With this, the existing distribution transformers are likely to face overloading. Hence, either these transformers will be replaced or more transformers will be added to cater to the additional demand from electric vehicles.

- The electrical interconnections with neighbouring countries Nepal, Bhutan and Bangladesh are being further strengthened for increasing the exchange of power.
- Under the government's renewable energy plan, significant generation capacity is continuously being added and a number of transmission lines and substations are being constructed, thus driving the demand for transformers.

## Government Initiatives

- Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya) Scheme was launched in September 25, 2017 with the aim to make electricity available to all rural and urban households. Nearly 213 million households were granted electricity by March 2019, since Saubhagya's launch. Government is putting their all efforts to accelerate the rate of electrification to electrify the remaining 19,558 households and the target may be achieved by the stipulated time.
- As of August 2018, the Ministry of New and Renewable Energy set solar power tariff caps at ₹2.50 (US\$ 0.04) and ₹2.68 (US\$ 0.04) unit for developers using domestic and imported solar cells and modules, respectively.
- As of September 2018, a draft amendment to Electricity Act, 2003 had been introduced. It discussed separation of content & carriage, direct benefit transfer of subsidy, 24\*7 Power supply as an obligation, and penalisation on violation of PPA, setting up Smart Meter and Prepaid Meters along with regulations related to the same.
- Ujwal Discoms Assurance Yojana (UDAY) was launched by the Government of India to encourage operational and financial turnaround of State-owned

Power Distribution Companies (DISCOMS), with an aim to reduce Aggregate Technical & Commercial (AT&C) losses to 15% by FY19.

- Launched in January 2015, Unnat Jeevan by Affordable LEDs and Appliances for All (UJALA) scheme is currently the largest LED distribution programme in the world. The distribution of over 34.6 crore (as of March 2019), has led to energy savings of 44,938 million kWh, amounting to ₹17,975 crore in energy savings.
- Under DDUGJY-RE, Ministry of Power has sanctioned 921 projects to electrify 1,21,225 un-electrified villages, intensive electrification of 5,92,979 partially electrified villages and provide free electricity connections to 397.45 lakh BPL rural households.
- Launched in December 2014, the Integrated Power Development Scheme (IPDS) aimed to strengthen the sub-transmission and distribution networks as well as meter distribution transformers in the urban areas. So far, ₹28,235 crore has been sanctioned for system strengthening and ₹834.41 crore sanctioned towards smart metering in various states.

**~214 million**

Houses electrified under Saubhagya Scheme by July 2019

#### 2019-2020 Budget Highlights

- Budgetary allocation for the Ministry of Power stands at ₹158.74 billion for 2019-20 an increase of 1.60 percent over ₹156.25 billion (revised estimate) allocated during the previous budget of 2018-19
- A package for the power sector along with tariff and structural reforms for the sector
- By 2022, every single rural family will be connected with electricity and clean cooking facility
- Comprehensive restructuring of National Highway programme to ensure that the National Highway Grid of desirable length and capacity is created using financeable model

#### Outlook

India's power sector is anticipated to attract investments worth ₹11.56 trillion between 2017 and 2022 in thermal,

hydro, nuclear and renewable segments. In order to boost the sector further, there is an urgent requirement for reforms relating to prioritising efficient coal allocation and delivery, promoting competition in coal and electricity supply, rationalising energy prices and using incentives to promote more efficient power generation and delivery. Besides, other reforms already proposed such as re-designing of real-time market, ancillary services regulations and linking of DSM prices with exchanges prices, if implemented, will help in added assimilation in the grid going forward. India's rapid growth over the past decade has augmented power demand, which is still largely unfulfilled. With the robust outlook of the sector, India is expected to see foreign participation in the development and financing of generation and transmission assets, engineering services, equipment supply and technology partnership in nuclear and clean coal technologies which shall propel further development.

#### Company Profile

Armed with almost 4 decades of experience and a pan India presence, SPML Infra is India's leading Infrastructure Development Company. The Company's operations emphasises on sustainable development for smart cities and promoting access to essential services in various fields such as water, electricity, sanitation, and municipal solid waste management. With more than 600 completed projects to its crown, the company has created significant value for the country by touching lives of people by providing drinking water facilities, wastewater treatment, integrated sewerage network, better municipal waste management, power transmission and distribution and lighting up homes. The company also has an expertise in providing turnkey end to end water and wastewater management solutions. Apart from construction and commissioning, it has integrated its strength in depth engineering, process technology, project management as well as resource management. The projects executed by SPML Infra in its signature style, sets new benchmarks in terms of modern construction and time management.

**ISO 9001:2015**

Certified company

**20,000+**

Villages electrified

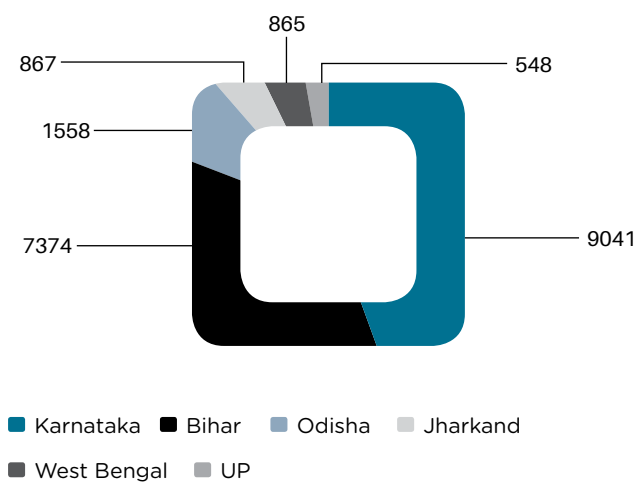
## Service Portfolio

| Business Verticals | Products & Services  | Current Projects  | Project Highlights   |
|--------------------|--|---|--|
| Water              | <ul style="list-style-type: none"> <li>• Urban Water Supply</li> <li>• Water Treatment</li> <li>• Pumping Station</li> <li>• Pipeline</li> <li>• Irrigation</li> </ul>   | Saurashtra-Narmada Avtaran Irrigation (SAUNI Yojana), Phase 3 Gujarat   | Drinking facilities to be provided to around 39 million people across 132 towns and 11,456 villages and to irrigate 1.8 million hectares of land.  |
|                    |  | Urban water supply projects in Delhi for Mehrauli and Vasant Vihar areas.   | Improvement in water distribution networks for about 42000 house service connections including maintenance for 10 years.   |
|                    |  | 24X7 urban water supply projects in Karnataka in the cities: Bellary, Raichur, Hospet, Gadag-Betageri, Sindhanur and Haveri | Serving a combined population of about 1.2 million people with operations & maintenance in all cities for 5 years  |
|                    |  | UFW Project in Bengaluru  | <ul style="list-style-type: none"> <li>• Reduced non-revenue water from 56% to 27%</li> <li>• Savings of 40 million litres' water per day</li> <li>• Provision of drinking water facilities to 110 villages out of the water savings done.</li> </ul>  |
| Power              | <ul style="list-style-type: none"> <li>• Power Generation</li> <li>• Power Plant Construction (Thermal, Hydro, Solar, Wind)</li> <li>• EHV &amp; GIS Substations and Transmission Lines</li> <li>• Sub-Transmission / Distribution Lines and Substations</li> <li>• City Distribution &amp; Management</li> <li>• Balance of Plant</li> <li>• Rural Electrification</li> </ul> | Power infrastructure development  | <ul style="list-style-type: none"> <li>• Erection of 220 kv GIS substation in Alipurduar with similar projects under execution in Faridabad, Haryana</li> <li>• World Bank funded 16 new substations project in Tripura under North East Region (NER) Power System Improvement Project.</li> <li>• Extension of 400/220 kV substation with installation of 500 MVA autotransformer in Mainpuri, UP and Sikar, Rajasthan.</li> <li>• Executing extension of 400 kV substations with 500 MVA autotransformers in Jharkhand, Odisha and West Bengal under Eastern Region Strengthening Scheme.</li> </ul> |
|                    |  | 220 kV Gas Insulated Substation (GIS) in West Bengal and 400 kV - 500 MVA Autotransformer in Uttar Pradesh and Rajasthan    | <ul style="list-style-type: none"> <li>• Provision of quality power supply and distribution in the designated areas.</li> </ul>  |
|                    |  | Rural electrification projects in Patna, Gaya and Kaimur district in Bihar  | <ul style="list-style-type: none"> <li>• 65,000 km of 33 kv lines with ACSR Conductors</li> <li>• 11,400 km of LT Lines to provide over 2.3 lac connections to rural and semi urban areas, mainly BPL households.</li> </ul>   |



| Business Verticals | Products & Services   | Current Projects       | Project Highlights  |
|--------------------|---|------------------------|---|
| Sanitation         | <ul style="list-style-type: none"> <li>Waste water treatment</li> <li>Sewage and Effluent Treatment Plant</li> <li>Integrated Sewerage Network</li> <li>Solid waste management</li> <li>Design and construction of waste processing facilities</li> <li>Door-to-door collection of municipal solid waste</li> </ul> | Waste water management | <ul style="list-style-type: none"> <li>240 MLD Sewage treatment plant at Vasna Ahmedabad</li> <li>42 MLD STP at Kanpur (Clean Ganga Mission)</li> <li>35 MLD CETP at Bawana, Delhi</li> </ul>                                 |
|                    |   | Solid waste management | <ul style="list-style-type: none"> <li>Waste collection centre in Delhi</li> <li>600 tonnes per day of waste management in Delhi Development, construction, operation and maintenance of scientific landfill site.</li> </ul> |
| Infrastructure     | <ul style="list-style-type: none"> <li>Urban Infrastructure</li> <li>Construction of Roads, Bridges, Flyovers and Tunnels</li> <li>Rail over/under Bridge</li> <li>Civil Work for Varied Projects</li> </ul>  | EPC Projects           | <ul style="list-style-type: none"> <li>Development of State Highways, Bihar</li> <li>Rail Under bridge &amp; Rail Over Bridge, Chennai</li> <li>Relocation of Industries Project, Delhi</li> </ul>                            |
|                    |   | BOOT/PPP Projects      | <ul style="list-style-type: none"> <li>Jaipur-Bhilwara Toll Road (Currently Operational)</li> </ul>   |

#### State wise Village Electrification Project executed by SPML Infra Limited



#### Core Competencies

##### SPML in water sector

- Over 500 projects executed in the water and sanitation segment alone.
- Among World's Top 50 Private Water Companies as per research by Global Water Intelligence, London.
- Executing 24x7 urban water supply projects in Delhi and 6 cities in Karnataka.
- Currently executing 25 water projects across India (Rajasthan, Gujarat, Delhi, Karnataka, Uttar Pradesh, Madhya Pradesh, Jharkhand etc).
- More than 10,000 kms of cross country pipeline (up to 3000 mm diameter mild steel pipeline, capacity to lay up to 4000 mm diameter).

- 5000 MLD of water pumping stations (largest single-500 MLD Pumping Station for Bangalore Water Supply project).
- 1000 MLD of water treatment plants constructed (largest 200 MLD at Surajpura for Jaipur water supply project).
- 50 million people provided with drinking water facility.
- 500,000 smart water meters being installed in Delhi and 6 cities of Karnataka.

#### SPML in power sector

- 100+ Power projects executed (power generation, transmission distribution and balance of plant projects).
- Over 800,000 Power connections provided by SPML under rural electrification projects in Bihar.
- More than 20,000 villages electrified under rural electrification schemes in several states of India.
- 38 MW Capacity of hydro power plants constructed by SPML.
- Over 4000 MVA power transformer installed by SPML.
- Currently executing 16 power projects completed 5 in 2018-19.

#### SPML in sanitation sector

- 700 MLD wastewater treatment plants constructed (largest 240 MLD STP in Ahmedabad, Gujarat and 35 MLD CETP in Delhi for Bawana Industrial Area).

- Contributing in Clean Ganga Mission by 42 MLD STP in Kanpur.
- ~800 tonnes of municipal solid waste management per day in Delhi.
- 500 kms sewerage network.
- India's largest and first comprehensive underground sewerage system constructed in Mira Bhayander, Maharashtra.
- Executing tracking and monitoring of solid waste management project under Swachh Bharat Mission in 627 cities in India.

#### SPML in infrastructure sector

- In-house engineering and design capabilities.
- More than 600 infrastructure projects executed.
- Smart city development under the Delhi Mumbai Industrial Corridor (DMIC) scheme.
- Prequalified for large value projects in Roads & Highway construction and is specialized in Roads, Flyover, Bridges, Terminals, Rail Over/Under Bridge and Industrial Infrastructure.
- Built over 1,500 Kms of Roads and Highways.
- Metro Rail development projects.

### Financial Review

(₹ in Mn, unless otherwise stated)

| Particulars                 | FY 2019   | FY 2018   | YOY Growth (in %) |
|-----------------------------|-----------|-----------|-------------------|
| Revenue                     | 14,932.55 | 14,117.11 | 5.78              |
| PBT                         | 673.37    | 549.67    | 22.50             |
| PAT                         | 496.18    | 431.16    | 15.08             |
| EBITDA                      | 2,235.80  | 2,581.93  | (13.41)           |
| Current Assets              | 16,056.71 | 16,206.20 | (0.92)            |
| <b>Key Ratios</b>           |           |           |                   |
| Current Ratio (in time)     | 1.07      | 1.14      | (6.14)            |
| Debt Equity Ratio (in time) | 3.40      | 2.91      | 16.84             |
| Return on Equity (in %)     | 13.08     | 9.90      | 32.12             |
| EPS (in ₹)                  | 13.54     | 11.76     | 15.14             |

## Risk Management

Important risk factors that could affect SPML's ability to achieve anticipated operating results and growth plan goals are presented below:

### Financial

|                              | Impact:  | Mitigation:   |
|------------------------------|--|---|
| <b>Currency Fluctuations</b> | The uncontrollable currency volatility impact the purchase price of active raw materials used by the company, finished goods, and specialised machinery sourced internationally, in turn putting margins under pressure.   | The risk of fluctuation in prices for commodities are assessed on case by case basis and managed via hedging derivatives based on commodity indexes that can be hedged in financial markets.  |
| <b>Bidding commitments</b>   | In the contracting segment, commitments connected to bidding constitute a vital risk factor faced by SPML. The actual cost may differ from bid estimate as both depend on a wide range of parameters, some of which are difficult to predict such as change in cost of labour, materials, commodities etc. | These risks are identified and evaluated during the estimating phase before a bid is submitted, which may lead to qualifications in the contract terms. Moreover, the company has about 4 decades of experience which enables it to address the situation efficiently and effectively.  |
| <b>Economic environment</b>  | Political uncertainty, unpredictable changes in commodity prices and slowing economic growth could lead to a worsening of conditions on markets where SPML operates.   | Economic risks cannot be avoided, so SPML focuses on mitigating the effects and ensuring the company's business is strong enough to weather economic downturns. The company plays a lead role in managing its financial exposure and looking ahead at the markets. The diversity of SPML's business provides significant built-in resilience. |

### Technological

|   | Impact:  | Mitigation:   |
|---|--|---|
| <b>Interruption in utility supplies</b>               | The interruption in the supply of water and electricity could result in the suspending of production, resulting in the compromising project completion within due time.                | Back-up power supplies as well as on-site water storage facilities allow for continuous production during periods of interruption.  |
| <b>Information technology infrastructure upgrades</b> | Operating in a highly competitive business environment it is crucial for the company to possess state of art technologies for carrying out business operations in an efficient manner. | Through the use of best practise project management methodology as well as highly skilled human resources, implementation of new and improved IT infrastructure is successfully achieved. |

## Commercial

### Market Share

#### Impact:

Company's competitors' actions may impact and erode its market share and potentially jeopardise its growth.

#### Mitigation:

Robust sales and marketing strategies, and excellence in project execution and management, assist the Company in achieving growth.

### Stakeholder relationship

Customers are the cornerstone of company's business. For the company, stakeholder relationship management has been, and continues to be a key focus area.

Constant management of the expectations of company's stakeholders is an ongoing focus for the business divisions. The relationship foundations are continuously nurtured to ensure sustainable business growth.

### Rising competitions

Unanticipated changes relating to competitive factors in the industry, including ongoing industry consolidation, may impact company's results of operations.

With rich experience and good execution capabilities, SPML continues to provide sustainable infrastructure development solutions to its clients both at centre and state levels. SPML's expertise in water management as well as strong credentials in infrastructure development has given it a clear edge over others to execute and deliver complex and large value water projects.

## Sustainability

### Lack or loss of key employees

#### Impact:

Shortage of critical skills and the ability to recruit top talent in certain areas of the business, are a reality in the current economic environment. Construction and development are most of all people businesses. New project opportunities will not be pursued unless employees with the right competencies are available.

#### Mitigation:

Appropriate incentive schemes, competitive remuneration packages and investment in skills development of employees are used to provide a sustainable pipeline of talent for the future.

### Labour environment

Trade unions represent a significant number of employees. Labour disputes and work stoppages could also disrupt business operations. Such disruptions are likely to cause unscheduled delays in the delivery of ordered materials and equipment affecting the financial conditions of the company.

SPML is focused on attracting, developing and retaining a skilled, diverse and committed workforce, and providing an inclusive workplace in which people can flourish and everyone can contribute. Further, contingency plans are in place at all sites to ensure continuity of supply.



## Compliance

**Impact:****Mitigation:****Regulatory Compliance**

The highly-regulated, complex and ever-evolving regulatory environment in which the company operates, provides challenges which are common throughout the construction and engineering industry.

Through continuous monitoring, various factory upgrades, a stability testing programme, a rigid approach to quality control and assurance, and a prudent business approach, compliance is continuously achieved through the ongoing combined efforts of various operational, regulatory and technical teams.

**Ethical Breach**

A severe breach could inflict long-term damage on SPML's reputation and ability to participate in domestic markets, and it could lead to financial penalties and other sanctions.

SPML has proactively invested in strengthening the Group's ethics and compliance processes, and has taken many steps to bolster the ethical culture. The Code of Conduct provides employees with expectations for everyday behaviour.

**Internal Control System and their Adequacy**

The internal control and risk management system is structured and applied as per the standards and criteria established in the corporate governance code of the organisation. It is an indispensable part of the general organisational structure of the Company and Group and involves a range of personnel who act in a coordinated manner while executing their respective responsibilities and obligations. The Board of Directors offers its guidance and strategic supervision to the management, monitoring and supporting committees. The control and risk committee and the head of the audit department work under the supervision of the Board-appointed Statutory Auditors.

**Human Resources**

SPML's aim as an employer is to offer a convincing and compelling employee value proposition, supported by the best practices across the people value chain, offering career development opportunities and progression, in accordance with the strategic mandate of the business to retain key staff, employ competent and outstanding individuals, as well as provide a vibrant workplace. Our

work force methodology is focused on promoting a competent, committed, diverse, empowered, enabled and engaged workforce that is independent, self-sufficient, valued, challenged, motivated, and treated fairly. We aim to align all the individuals and procedures to deliver the right talent to projects and functions on time with consistency.

**Cautionary Statement**

The statement made in this section describes the Company's objectives, projections, expectations and estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual results could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent development, information or events.



# CORPORATE GOVERNANCE REPORT

## 1. Company Philosophy on Code of Governance

The principle of Corporate Governance is based on the belief that effective Corporate Governance practices constitute a strong foundation on which successful commercial enterprises are built and continue to grow. Strong Corporate Governance is indispensable to a resilient and vibrant capital market and is therefore, an important tool for investor protection.

Corporate Governance is essentially a system by which Companies are directed and controlled by the management in the best interest of its stakeholders. The management believes that the stakeholders are the true owners of the enterprise and it holds the status of trustees of the stakeholders. Therefore the Company always gives thrust to highest ethical standards in all its dealing in order not only to achieve the objects of the Company but also enhances stakeholder's value as well as discharge of its social responsibility.

The Company is committed to achieve good standards of Corporate Governance on a continuous basis to

ensure accountability, fairness and transparency in managing the affairs of the Company. The Board of SPML has defined a set of corporate governance best practices and guidelines to help fulfill our corporate responsibility towards our stakeholders. It further ensures the accountability, fairness and transparency in managing the affairs of the Company for maximizing long-term value of the Company. An internal governance structure with defined roles and responsibility has been placed by the Company.

## 2. Board of Directors

The Board of Directors of SPML is responsible for good Corporate Governance practices in the Company. The Board provides strategic guidance to the Company and ensures effective monitoring of the management and protects the long and short term interest of all the stakeholders of the Company.

### (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 eight Directors, including five Independent Directors. The details of the Directors during as on 31st March 2019 are given below:

| 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 | 16                              | 4                                  | Nil                     |
| 2       | Mr. Sushil Kumar Sethi                | Promoter & Executive Director- Managing Director              | 10                              | Nil                                | Nil                     |
| 3       | Mr. Sarthak Behuria                   | Non- Executive & Independent Director                         | 7                               | 5                                  | 2                       |
| 4       | Mr. Prem Singh Rana                   | Non- Executive & Independent Director                         | 5                               | 2                                  | Nil                     |
| 5       | Mr. Dinesh Kumar Goyal                | Non- Executive & Independent Director                         | 4                               | 1                                  | Nil                     |
| 6.      | Mrs. Pavitra Joshi Singh <sup>3</sup> | Non- Executive & Independent Director                         | Nil                             | Nil                                | Nil                     |
| 7       | Mr. Supriyo Kumar Chaudhuri           | Nominee Director representing State Bank of India as Lender   | 1                               | Nil                                | Nil                     |
| 8       | Mr. Deepak Sethi                      | Promoter & Non- Executive Director                            | 13                              | 2                                  | 1                       |

<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.

<sup>3</sup>Mrs. Pavitra Joshi Singh was inducted on the Board of the Company as Additional & Independent Women Director by the Board w.e.f. 25.02.2019 subject to approval of Shareholder.

Notes:

1. None of the Directors except Mr. Subhash Chand Sethi, Mr. Sushil Kumar Sethi and Mr. Deepak Sethi is related to any Director.
2. During the year, the Company did not have any material pecuniary relationship or transaction with any of the non-executive director's. However, Mr. Deepak Sethi being related to the Promoter Directors is interested to the extent of his shareholding in the Company.
3. 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).
4. 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 six times on 23rd May, 2018, 30th May, 2018, 13th August, 2018, 14th November, 2018, 08th February, 2019 and 25th February, 2019 respectively. The maximum time gap between any two consecutive meetings did not exceed more than 120 days in compliance with the provision of Companies Act, 2013 and listing regulations.

| Sl. 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               | 6   | 3                              | No                            |
| 2       | Mr. Sushil Kumar Sethi                | 6   | 4                              | Yes                           |
| 3       | Mr. Deepak Sethi                      | 6   | 1                              | No                            |
| 4       | Mr. Prem Singh Rana                   | 6   | 6                              | No                            |
| 5       | Mr. Sarthak Behuria                   | 6   | 5                              | Yes                           |
| 6       | Mr. Dinesh Kumar Goyal                | 6   | 4                              | No                            |
| 7       | Mr. Supriyo Kumar Chaudhuri           | 6   | 6                              | No                            |
| 8       | Mr. Sushil Kumar Roongta <sup>2</sup> | 4   | 2                              | No                            |
| 9       | Mrs. Archana Capoor <sup>3</sup>      | 2   | 1                              | N.A.                          |
| 10      | Mrs. Pavitra Joshi Singh <sup>4</sup> | -   | -                              | N.A.                          |

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

<sup>2</sup> Mr. Sushil Kumar Roongta resigned from the Board of the Company w.e. f. 18.01.2019

<sup>3</sup> Mrs. Archana Capoor resigned from the Board of the Company w.e.f. 13.08.2018

<sup>4</sup> Mrs. Pavitra Joshi Singh inducted in the Board of the Company as Additional & Independent Women Director w.e.f. 25.02.2019 subject to approval of Shareholder.

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

| Sl. No. | Name of the Director   | Name of Other Listed Entities      | Category of Directorship |
|---------|------------------------|------------------------------------|--------------------------|
| 1.      | Mr. Sarthak Behuria    | BLS International Services Limited | Independent Director     |
| 2.      | Mr. Dinesh Kumar Goyal | H.G. Infra Engineering Limited     | Non-Executive Director   |
|         |                        | The Byke Hospitality Limited       | Independent Director     |

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

| Sl. No. | Name of the Directors    | Category                             | Number of equity shares |
|---------|--------------------------|--------------------------------------|-------------------------|
| 1       | Mr. Deepak Sethi         | Promoter & Non- Executive Director   | 5,82,250                |
| 2       | Mr. Sarthak Behuria      | Non-Executive & Independent Director | Nil                     |
| 3       | Mr. Prem Singh Rana      | Non-Executive & Independent Director | Nil                     |
| 4       | Mr. Dinesh Kumar Goyal   | Non-Executive & Independent Director | Nil                     |
| 5       | Mrs. Pavitra Joshi Singh | Non-Executive & Independent Director | Nil                     |

**(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:

- i) Leadership:** having leadership experience, judgment on issues of strategy, performance, risk management, resources and standards of conduct;
- ii) Expertise & Experience:** relevant expertise and experience relating to the business of the Company and project understanding, general management, business development
- iii) 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.
- iv) 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.

**(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 fulfills 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:**

Mrs. Archana Capoor, Independent Directors of the Company has resigned from the position of independent director of the Company w.e.f. 13th August, 2018 by stating reason of her inability to serve on the Board. Mrs Archana Capoor was appointed as an Independent Director by the Company for a term of five consecutive years w.e.f. 26th September, 2014 till the 38th Annual General Meeting to be held in calendar year 2019.

Further, Mr. Sushil Kumar Roongta, who was appointed on the Board of the Company as an Independent Director for a term of five consecutive year's w.e.f. 7th November, 2015 had also resigned on personal ground w.e.f. 18th January, 2019.

**3. Committees of The Board**

As on 31st March, 2019, 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 Committee of Directors 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 financial year 2018-19 Mr. Dinesh Kumar

Goyal, Independent Director of the Company was inducted as a Member of the Audit Committee w.e.f 23rd May, 2018 and Mrs. Archana Capoor ceased to be Member of the Audit Committee w.e.f. 13th August, 2018 due to her resignation from the Board of the company. The Company Secretary of the Company acts as the Secretary to the Committee.

During the year under review five Meetings of the Audit Committee has been held on 23rd May, 2018, 30th May, 2018, 13th August, 2018, 14th November, 2018 and 8th February, 2019.

The Composition of the Audit Committee as on March 31, 2019 and details of attendance for the Meetings of the Audit Committee are as under:

| Sl. No. | Name of the Directors   | Category                        | No of Meetings held | No. of Meetings attended |
|---------|-------------------------|---------------------------------|---------------------|--------------------------|
| 1       | Mr. Sarthak Behuria     | Chairman / Independent Director | 5                   | 4                        |
| 2       | Mr. Prem Singh Rana     | Member / Independent Director   | 5                   | 5                        |
| 3       | Mr. Deepak Sethi        | Member/ Non-Executive Director  | 5                   | 1                        |
| 4       | Mr. Dinesh Kumar Goyal* | Member/ Independent Director    | 4                   | 3                        |
| 5       | Mrs. Archana Capoor**   | Member/ Non-Executive Director  | 1                   | 1                        |

\*Mr Dinesh Kumar Goyal was inducted as the member of the Audit Committee wef 23rd May 2018

\*\*Mrs. Archana Capoor ceased to be the member of the Committee w.e.f. 13th August, 2018.

## 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 5 Meetings of the Stakeholder Relationship Committee were held on 07th June, 2018, 17th August, 2018, 02nd November, 2018, 05th February, 2019 and 14th March, 2019.

During the financial 2018-19 there is no change in the composition of the Stakeholder Relationship Committee.

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

| Sl. No. | Name of the Director    | Category / Position                | No of Meetings held | No. of Meetings attended |
|---------|-------------------------|------------------------------------|---------------------|--------------------------|
| 1.      | Mr. Deepak Sethi        | Chairperson/Non-Executive Director | 5                   | 5                        |
| 2.      | Mr. Subhash Chand Sethi | Member/Executive Director          | 5                   | 5                        |
| 3.      | Mr. Sarthak Behuria     | Member/Independent Director        | 5                   | -                        |
| 4.      | Mr. Prem Singh Rana     | Member/Independent Director        | 5                   | -                        |

Mr. Abhay Raj Singh, Company Secretary of the Company acts as 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                | : 1 |
| (b) No. of complaints disposed of during the year                          | : 1 |
| (c) No. of complaints not resolved to the satisfaction of the Shareholders | : 0 |
| (d) No. of pending complaints as on 31.03.2019                             | : 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, 2019 and Listing Regulations.

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

**Composition and attendance:** During the Financial 2018-19 there is no change in the composition of the Nomination and Remuneration Committee and there were only two meetings of Nomination and Remuneration Committee were held on 23rd May, 2018 and 25th February, 2019 during the year under review.

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

| Sl. No. | Name of the Director | Category / Position               | No of Meetings held | No. of Meetings attended |
|---------|----------------------|-----------------------------------|---------------------|--------------------------|
| 1       | Mr. Sarthak Behuria  | Chairperson /Independent Director | 2                   | 2                        |
| 2       | Mr. Prem Singh Rana  | Member/Independent Director       | 2                   | 2                        |
| 3       | Mr. Deepak Sethi     | Member/Non-Executive Director     | 2                   | 1                        |

**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, 2019 CSR Committees comprises of two independent directors and one non-executive director. Mr. Sarthak Behuria is the Chairman of the Committee whereas Mr. Prem Singh Rana and Mr. Deepak Sethi are the members of the CSR Committee of the Board of Directors.

During the year under review there was no change in the composition of the committee and one meeting of CSR Committee was held on 25th February, 2019.

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) Finance Committee**

The Finance Committee has been constituted by the Board to carry on day to day matters relating to banking, availing the loans, investments, tendering and other transactions as per the terms of the reference to the Committee by the Board.

**Composition and Meetings**

The Committee comprises of three Directors namely, Mr. Sushil Kumar Sethi, Mr. Subhash Chand Sethi and Mr. Deepak Sethi. The Committee meets as and when it is required. The Company Secretary of the Company acted as the secretary to the Committee

**vi) Committee of Directors**

The Board of Directors of the Company has also constituted its sub-committee viz. "Committee of Directors" in order to transact the business arising out of day to day business affairs of the Company and is also inter alia delegated with the power and authority to allot equity Shares and other Securities of the Company to the Shareholder and persons other than the Shareholders of the Company, Appointment of various intermediaries relating to capital increase, fund raising, purchase



and sell of equipment's or any other assets on lease/rent or otherwise. Mr. Subhash Chand Sethi, Mr. Sushil Kumar Sethi, Mr. Deepak Sethi and Mr. Sarthak Behuria are the members of the Committee. Mr. Subhash Chand Sethi is the Chairman of the Committee.

During the year under review one meeting of the committee of Directors was held on 26th June 2018.

#### 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 so as

to attract and retain quality talent and leverage performance significantly. Wholetime 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 2018-19

###### (i) Executive Directors:

| Name of Director        | Salary (₹) | Commission (₹) | Benefits, Perquisites and Allowances (₹) | Term                        |
|-------------------------|------------|----------------|--|-----------------------------|
| Mr. Subhash Chand Sethi | 11,593,996 | 6,634,853      | 640,000                                  | 5 Years<br>w.e.f 01.01.2015 |
| Mr. Sushil Kumar Sethi  | 11,593,996 | 6,634,853      | 640,000                                  | 5 Years<br>w.e.f 01.01.2015 |

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. Sarthak Behuria                   | 310,000          |
| 2       | Mr. P S Rana                          | 360,000          |
| 3       | Mrs. Archana Capoor <sup>1</sup>      | 50,000           |
| 4       | Mr. Dinesh Kumar Goyal                | 230,000          |
| 5       | Mr. Sushil Kumar Roongta <sup>2</sup> | 80,000           |
| 6       | Mr. Supriyo Kumar Chaudhuri           | 240,000          |
| 7       | Mrs. Pavitra Joshi Singh <sup>3</sup> | -                |
| 8       | Mr. Deepak Sethi <sup>4</sup>         | -                |

<sup>1</sup> Resigned from the Board of the Company w.e.f. 13th August, 2018

<sup>2</sup> Resigned from the Board of the Company w.e.f. 18th January, 2019

<sup>3</sup> Inducted in the Board of the Company w.e.f. 25th February, 2019

<sup>4</sup> Mr. Deepak Sethi has abstained from receiving 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  |
|---------|---|----------------------|----------|--|
| 2017-18 | PHD chamber of Commerce, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016 | 29th September, 2018 | 03:30 PM | <ol style="list-style-type: none"> <li>1. Special Resolution under Section 180 (1) (c) of the Companies Act, 2013 to borrow in excess of paid up capital and free reserves of the Company.</li> <li>2. Special Resolution under Section 180(1)(a) of the Companies Act, 2013 to mortgage, hypothecate or create charge on all or any part of the movable and immovable properties of the Company.</li> <li>3. Special Resolution under Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 to reclassification of status of some of the existing Promoters as Public shareholders</li> </ol> |
| 2016-17 | -do-  | 29th September, 2017 | 3:30 PM  | <ol style="list-style-type: none"> <li>1. Special Resolution Under Section 14 of the Companies Act, 2013 for alteration of the Articles of Association of the Company</li> </ol>   |
| 2015-16 | -do-  | 30th September, 2016 | 11:30 AM | <ol style="list-style-type: none"> <li>1. Special Resolution under Section 42, 62 of the Companies Act, 2013 for issuing securities of the Company to Promoters and Non-Promoters on Preferential Basis.</li> <li>2. Special Resolution under Section 88 &amp; 94 of the Companies Act, 2013 for authorization for keeping the Register of Members and other securities of the Company at Kolkata instead of Registered Office of the Company.</li> </ol>  |

\*Mr. R. S Bhatia, Company Secretary in whole-time practice, New Delhi was appointed by the Board as the Scrutinizer for e-voting and conducting the ballot process at the venue of the Annual General Meetings held for FY 2016-17 and 2017-18 in a fair and transparent manner.

#Mr. Tumul Maheshwari of PTM & Co, Company Secretaries was appointed by the Board as the Scrutinizer for e-voting and conducting the ballot process at the venue of the Annual General Meeting held for FY 2015-16 in a fair and transparent manner.

- Location and the time of Extraordinary General Meetings held during the FY 2018-19:** There was no Extraordinary General Meetings held during the financial year under review.
- Detail of Special Resolution passed during FY 2018-19 through Postal Ballot:** During the FY 2018-19, no Special Resolution was passed through Postal Ballot
- Person who conducted the Postal Ballot exercise:** Not Applicable
- Whether any Special Resolution is proposed to be conducted through postal ballot:** None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.
- Procedure for Postal Ballot:** Not applicable, as there was no postal ballot carried out during the FY 2018-19.

## 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 2018-19

|       |   |
|-------|---|
| Date  | : 24th September, 2019  |
| Time  | : 03.30 PM  |
| Venue | : PHD Chamber of Commerce, PHD House,<br>4/2 Siri Institutional Area, August Kranti Marg,<br>New Delhi-110016 |

### ii) Financial Calendar (tentative)

: Financial Year- 1st Apr 2019 to 31st Mar 2020

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

- a) 30th Jun 2019 - 2nd week of August 2019
- b) 30th Sep 2019 - 2nd week of November 2019
- c) 31st Dec 2019 - 2nd week of February 2020
- d) 31st Mar 2020- 4th week of May, 2020  
Annual General Meeting - Sep, 2020

### iii) Dividend Payment Date

: Not Applicable.

### iv) Book Closure Date

: from 17th September 2019 to 24th September 2019  
(both days inclusive)

### v) Listing on Stock Exchanges

#### **: The BSE Limited (BSE)**

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

#### **National Stock Exchange of India Ltd. (NSE),**

Exchange Plaza, BandraKurla Complex, Bandra (E),  
Mumbai - 400051

The annual listing fee for the year 2019-20 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

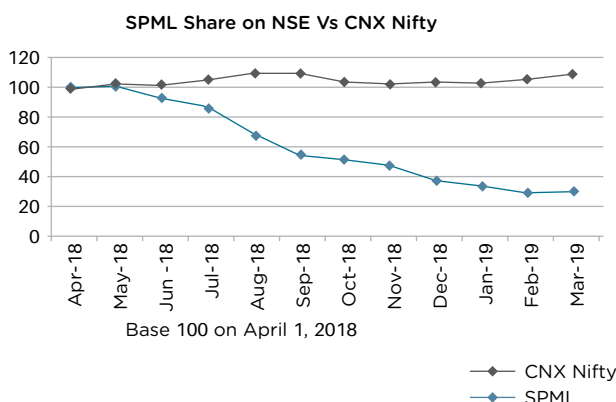
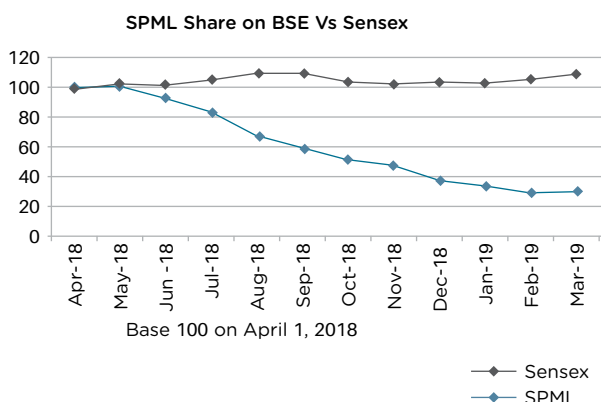
: Maheshwari Datamatics Pvt. Ltd.  
23, R.N. Mukherjee Road Kolkata - 700 001  
Phone: +91-033-2248 2248  
email: mdpldc@yahoo.com

### 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**

| Month           | National Stock Exchange |       | BSE Limited |       |
|-----------------|-------------------------|-------|-------------|-------|
|                 | High                    | Low   | High        | Low   |
| April, 2018     | 121.65                  | 86.20 | 123.00      | 87.00 |
| May, 2018       | 124.00                  | 84.15 | 124.00      | 85.00 |
| June, 2018      | 111.80                  | 86.00 | 114.00      | 87.60 |
| July, 2018      | 104.80                  | 71.00 | 103.95      | 71.00 |
| August, 2018    | 83.50                   | 63.25 | 83.85       | 63.40 |
| September, 2018 | 65.85                   | 42.20 | 73.80       | 42.75 |
| October, 2018   | 64.45                   | 42.00 | 64.00       | 36.55 |
| November, 2018  | 59.00                   | 43.70 | 58.50       | 43.20 |
| December, 2018  | 45.90                   | 38.25 | 48.00       | 38.60 |
| January, 2019   | 40.55                   | 28.10 | 42.00       | 29.00 |
| February, 2019  | 34.40                   | 27.60 | 36.80       | 28.00 |
| March, 2019     | 36.55                   | 29.00 | 37.05       | 27.00 |

**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 2018-19**

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, 2019 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, 2019**

| Shares held<br>From - To | Number of Shareholders | Number of Shares | % of Total Shares |
|--------------------------|------------------------|------------------|-------------------|
| 1- 500                   | 5551                   | 763911           | 2.0843            |
| 501-1000                 | 519                    | 427528           | 1.1665            |
| 1001-2000                | 269                    | 402858           | 1.0992            |
| 2001-3000                | 108                    | 276848           | 0.7554            |
| 3001-4000                | 55                     | 200339           | 0.5466            |
| 4001-5000                | 37                     | 176906           | 0.4827            |
| 5001-10000               | 84                     | 606022           | 1.6535            |
| >10000                   | 110                    | 33795864         | 92.2118           |
| <b>Total</b>             | <b>6733</b>            | <b>36650276</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, 2019 Equity Shares of the Company, forming 99.49% 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, 2019.**

| Category   | No. of Shares held | % shareholding |
|--|--------------------|----------------|
| Promoter and Promoter Group                                      | 14001260           | 38.20          |
| Mutual Funds/ UTI  | 13000              | 0.04           |
| Financial Institutions / Banks / Foreign Institutional Investors | 7252417            | 19.79          |
| Corporate Bodies   | 4371361            | 11.93          |
| Indian Public  | 4494605            | 12.27          |
| Non Resident Individual  | 144509             | 0.39           |
| Clearing Members   | 447454             | 1.22           |
| NBNFCs registered with RBI                                       | 596                | 0.00           |
| Investor Education and Protection Fund Authority                 | 139261             | 0.38           |
| Foreign Portfolio Investors                                      | 224937             | 0.61           |
| Foreign Company  | 5493876            | 14.99          |
| Trusts   | 67000              | 0.18           |
| <b>Total</b>   | <b>36650276</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 2019 there are 5,453,517 Optionally Convertible Debentures (OCD) of ₹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 do 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  
 SPML House, Plot No. 65, Sector-32,  
 Institutional Area, Gurgaon-122 001  
 E-mail : info@spml.co.in  
 Website : www.spml.co.in

**xxi) Credit Ratings**

The company has obtained Credit Rating for the credit facilities availed by the Company from M/s Acute Ratings & Research Limited (formerly known as SMERA Ratings Ltd). As on 31st March 2019, the Company has BBB- credit rating.

**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.

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

During the year under review, Mrs Archana Capoor, Independent Director of the Company resigned from the directorship of the company and as the Company could not appoint another woman director, within the time allowed, to fill the vacancy so caused in the office of the woman director and therefore a fine was imposed by NSE and BSE on the Company for the Non-compliance under Regulation 17(1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015. However, such vacancy was filled by the Company on 25th February 2019 by appointing Ms Pavitra Joshi Singh as Independent Woman Director.

**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 fund through preferential allotment or qualified institutions placement as specified under Regulation 32(7A).

**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 2018-19, 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 2018-19, a total fees of ₹58,67,722/- 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 2018-19 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-imbursement 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, 2019 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 quarterly presentation to the Audit Committee on their reports.

## 11. CEO / CFO Certification

The Managing Director (CEO) 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 31st March, 2019.

## 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 Managing 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

Place: Gurgaon  
Date : 30th May, 2019

-sd-  
**Subhash Chand Sethi**  
Chairman  
DIN 00464390

# DECLARATION BY THE MANAGING 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 2018-19.

For SPML Infra Limited

Place: Gurgaon  
Date: 30th May, 2019

**Sushil Kumar Sethi**  
Managing Director

## 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, 2019 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: Gurgaon  
Date: 30th May, 2019

**Sushil Kumar Sethi**  
Managing Director

**Sujit Jhunjunwala**  
Chief Financial Officer

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Board of Directors  
SPML Infra Limited

We have examined the compliance of conditions of Corporate Governance by SPML Infra Limited ("the Company") for the year ended 31st March 2019, as stipulated under Regulations 17 to 27, Clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulation").

The compliance of conditions of corporate governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representation made by the management of the Company, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulation for the year ended 31st March 2019.

We further 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 Murmura**  
Partner  
Membership No 055788

Place: Gurgaon  
Date: 30th May, 2019





# 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 standalone financial statements of SPML Infra Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the 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, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 ("the Act") of the state of affairs of the Company as at 31st March, 2019, and the profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

##### Attention is invited to :

- (i) Note no. 42 to the standalone financial statements regarding non-provision of interest amounting to ₹4,731.86 lakhs (31st March, 2018 : ₹1,842.68 lakhs) on Optionally Convertible Debentures (OCDs) issued to lenders under S4A scheme. Had such interest provision been made, the finance cost would have been increased by ₹4,731.86 lakhs and profit as well as shareholders fund for the year ended 31st March, 2019 would have been reduced by ₹4,731.86 lakhs. The Auditor's Report for the year ended 31st March, 2018 was also qualified in respect of this matter.
- (ii) Note no. 43 to the standalone financial statements regarding the Company's trade receivables and inventories as at 31st March, 2019 of ₹3,402.74 lakhs (31st March, 2018 : ₹3,402.74 lakhs) and ₹1,040.62 lakhs respectively relating to projects foreclosed by Clients in earlier years and where the claims are presently under arbitration/ litigation proceedings. Pending the ultimate outcome of these matters, which is presently unascertainable, we are unable to comment on the recoverability of the aforesaid trade

receivables and inventories. The Auditor's Report for the year ended 31st March, 2018 was also qualified in respect of trade receivables.

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 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### Emphasis of Matter

We draw attention to Note no. 44 to the standalone financial statements, regarding uncertainties relating to the recoverability of trade & other receivables of ₹26,814.56 lakhs as at 31st March, 2019 (31st March, 2018 : ₹25,460.41 lakhs) and interest income of ₹946.01 lakhs on arbitration awards during the year ended 31st March, 2019, (for the year ended 31st March, 2018 : ₹1,471.20 lakhs). All these amounts relate to the appeals filed by clients pending in various courts in relation to the arbitration awards passed in favor of the Company and recognized in the current and earlier years. Pending the ultimate outcome of these matters, which is presently unascertainable, no adjustments have been made in the accompanying standalone financial statements.

Our opinion is not modified in respect of this matter.

#### 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 period. These matters were addressed in the context of our audit of the 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 matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

### Key Audit Matter

Appropriate recognition, presentation and disclosure of revenues and other related information in view of adaption of Ind AS 115 “Revenue from Contracts with Customers”, the new revenue accounting standard.

With effect from 1st April, 2018, the Company has adopted Ind AS 115 based on modified retrospective approach and debited the retained earnings as on 1st April, 2018 by ₹10,143.52 lakhs, net of tax effect.

The application of the new revenue accounting standard involves certain Key Judgements relating to identification of performance obligations, determination of transaction price of the performance obligations and appropriateness of the basis revenue recognition over a period, as well as certain specific disclosures.

Refer Note No. 33 to the accompanying standalone financial statements in this regard.

### How the matter was addressed in the audit

We assessed the company’s process to identify the impact of adoption of the new revenue accounting standard.

Our audit approach included, but were not limited to the following :

- Obtained an understanding of the management’s process and evaluated design and tested operating effectiveness of the controls relating to implementation of the new revenue accounting standard.
- Selected a sample of continuing and new contracts and tested the operating effectiveness of the internal control, relating to identification of the performance obligations and determination of transaction price.
- Considered the terms of contracts to determine the transaction price.
- Performed analytical procedures for reasonableness of disclosure of revenues .

### Management’s Responsibility 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

We did not audit the financial statements / financial information of 7 (seven) joint operations included in the standalone financial statements of the Company whose financial statements / financial information reflect total assets of ₹3,982.62 lakhs as at 31st March, 2019 and total revenues of ₹971.75 lakhs for the year ended on that date as considered in the standalone financial statements. These financial statements / financial information are un-audited and have been furnished to us by the 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 are 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 management, these financial statements / financial information are not material to the Company.

Our opinion is not modified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure - A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- a) We have sought and except for the possible effect of the matters described in the Basis for Qualified Opinion section, 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 effect of the matters described in the Basis for Qualified Opinion section, 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 possible effect of the matters described in the Basis for Qualified Opinion section, in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure - B**” which expressed an unmodified opinion ; a n d
- g) 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, 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 as detailed in Note no. 29;
- ii. Except for the possible effect of the matters described in the Basis for Qualified Opinion section, 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; and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**CA. Bijay Murmuria**

Partner

Place: Kolkata

Date: 18th May, 2019

Membership No. : 055788



## "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 Ind AS financial statements for the year ended 31st March, 2019]**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the Company has a regular program of physical verification of its fixed assets under which the fixed assets 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 fixed assets were physically verified during the year and no material discrepancies between the book records and the physical inventory have been noticed on such verification
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, Plant and Equipment') are held in the name of Company.
- (ii) According to the information and explanations given to us and in our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loans to companies and other parties covered in the register maintained under section 189 of the Act; and with respect to the same:
  - (a) in our opinion and according to the information & explanations given to us, the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest;
  - (b) the schedule of repayment of the principal and the payment of the interest has not been stipulated and hence we are unable to comment as to whether repayments or receipts are regular;
  - (c) in the absence of stipulated schedule of repayment of principal and payment of interest, we are unable to comment as to whether there is any amount which is overdue for more than ninety days and whether reasonable steps have been taken by the Company for recovery of principal and interest.
- (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) In our opinion and according to the information & explanations given to us, the Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act. or any other relevant provisions of the Act. and the rules framed thereunder. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) In our opinion and according to the information & explanations given to us, the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the Company's products and services and are being made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the books and records as produced before and examined by us and the information and explanations given to us :
  - (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, value added tax, cess and other material 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 of provident fund, employees' state insurance, income tax, value added tax, which

were outstanding at the year-end for a period of more than six months from the date they become payable are as follows:

| ₹ in Lakhs   |                    |        |                                    |                                  |                 |
|--|--------------------|--------|------------------------------------|----------------------------------|-----------------|
| Name of the statute                                    | Nature of the dues | Amount | Period to which the amount relates | Due date                         | Date of payment |
| Provident Funds and Miscellaneous Provisions Act, 1952 | PF                 | 36.50  | April 2018 to August 2018          | 15th day of the subsequent month | Not yet paid    |
| Employee State Insurance, 1948                         | ESI                | 14.63  | June 2016 to August 2018           | 15th day of the subsequent month | Not yet paid    |
| Income Tax Act, 1961                                   | TDS                | 0.33   | September 2018                     | 7th day of the subsequent month  | Not yet paid    |
| Chhattisgarh Value Added Tax Act, 2003                 | VAT                | 5.96   | April 2017 to June 2017            | 15th day of the subsequent month | Not yet paid    |
| Gujarat Value Added Tax Act, 2003                      | VAT                | 25.61  | Apr 2017 to June 2017              | 15th day of the subsequent month | Not yet paid    |
| Gujarat Value Added Tax Act, 2003                      | WCT                | 3.82   | Apr 2017 to June 2017              | 15th day of the subsequent month | Not yet paid    |
| Uttar Pradesh Value Added Tax Act, 2008                | WCT                | 141.72 | Mar 2016 to June 2017              | 15th day of the subsequent month | Not yet paid    |
| Delhi Value Added Tax Act, 2005                        | WCT                | 11.94  | Apr 2017 to June 2017              | 15th day of the subsequent month | Not yet paid    |
| Jharkhand Value Added Tax Act, 2005                    | WCT                | 4.19   | Apr 2017 to June 2017              | 15th day of the subsequent month | Not yet paid    |
| Tripura Value Added Tax Act, 2005                      | WCT                | 1.22   | Apr 2017 to June 2017              | 15th day of the subsequent month | Not yet paid    |
| Bihar Value Added Tax Act, 2005                        | WCT                | 155.11 | Apr 2015 to August 2016            | 15th day of the subsequent month | Not yet paid    |
| Rajasthan Value Added Tax Act, 2003                    | WCT                | 2.09   | Apr 2017 to June 2017              | 15th day of the subsequent month | Not yet paid    |
| West Bengal Value Added Tax Act, 2003                  | WCT                | 44.01  | Apr 2015 to June 2017              | 15th day of the subsequent month | Not yet paid    |
| The Orissa Value Added Tax Act, 2004                   | WCT                | 1.76   | Apr 2015 to June 2017              | 15th day of the subsequent month | Not yet paid    |
| Professional Tax                                       | P Tax              | 2.96   | June 2016 to August 2018           | 21st day of the subsequent month | Not yet paid    |

- (b) The dues of income-tax, sales-tax, service tax, and value added tax that have not been deposited with the appropriate authorities on account of any dispute, are as follows:

| ₹ in Lakhs                  |   |        |                           |                                    |  |
|-----------------------------|---|--------|---------------------------|------------------------------------|--|
| Name of the statute         | Nature of the dues                                      | Amount | Amount paid under Protest | Period to which the amount relates | Forum where dispute is pending                                       |
| West Bengal CST 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 CST Act, 1956   | 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 |

| ₹ in Lakhs                  |  |        |                           |                                    |  |
|-----------------------------|--|--------|---------------------------|------------------------------------|--|
| Name of the statute         | Nature of the dues   | Amount | Amount paid under Protest | 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 CST Act, 1956   | 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 CST Act, 1956   | 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 CST Act, 1956   | Disallowance of input tax credit , interest charged and demand of purchase and output tax                                  | 75.27  | -                         | FY 2012-13                         | Senior Joint Commissioner of Sales Tax, Kolkata (South) Circle       |
| 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 2012-2013                       | 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 CST Act, 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                                    |

- (viii) In our opinion and according to the information and explanations given to us, the Company has no loans or borrowings payable to government.

As at year ended 31st March 2019 The Company has defaulted in repayment of loans/ borrowings to the following banks and financial institution as detailed below:

| Name of Lender                | ₹ in Lakhs   |                   |
|-------------------------------|--------------|-------------------|
|                               | Amount       |                   |
|                               | Upto 90 days | More than 90 days |
| <b>Banks</b>                  |              |                   |
| Canara Bank                   | 20.16        | -                 |
| SBI                           | 171.39       | -                 |
| OBC                           | 1.64         | -                 |
| YES Bank                      | 0.45         | -                 |
| <b>Financial Institutions</b> |              |                   |
| IFCI                          | 10.89        | -                 |

The Company has not defaulted in repayment of dues to debenture holders.

- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion, the term loans were applied for the purpose for which the loans were obtained.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with therequisite approvals mandated by the provisions of section 197 of the Act read with Schedule 5 to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, all transaction with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the standalone Ind AS financial statements as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with directors or persons connected with them covered under section 192 of the Act.
- (xvi) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

**CA Bijay Murmuria**  
Partner  
Membership No. 055788

Place : Kolkata  
Date : 18th May 2019

## **"ANNEXURE B" to the Independent Auditors' Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of SPML Infra Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 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, 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 Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material

weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting 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 over financial reporting 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 authorizations 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 over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India.

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

Place: Kolkata  
Date: 18th May, 2019

**CA. Bijay Murmuria**  
Partner  
Membership No. : 055788



## Balance Sheet as at March 31, 2019

|  |          | ₹ in Lakhs            |                       |
|--|----------|-----------------------|-----------------------|
| Particulars  | Note No. | As at 31st March 2019 | As at 31st March 2018 |
| <b>ASSETS</b>  |          |                       |                       |
| <b>Non-current assets</b>  |          |                       |                       |
| (a) Property, Plant and Equipment  | 3        | 10,357.67             | 10,544.25             |
| (b) Intangible Assets  | 4        | 20.81                 | 20.70                 |
| (c) Financial Assets   |          |                       |                       |
| (i) Investments  | 5        | 16,167.29             | 17,662.50             |
| (ii) Trade Receivables   | 6        | 29,285.77             | 31,124.40             |
| (iii) Loans  | 7        | 12,678.05             | 13,286.50             |
| (iv) Other Bank Balances   | 8        | 5,278.52              | 4,031.11              |
| (v) Other Non- Current Financial Assets                                      | 9        | 208.26                | -                     |
| (d) Deferred Tax Asset (Net)   | 39       | 11,098.51             | 5,843.78              |
| (e) Other Non-Current Assets   | 10       | 26,491.09             | 24,827.05             |
|  |          | <b>1,11,585.97</b>    | <b>1,07,340.29</b>    |
| <b>Current assets</b>  |          |                       |                       |
| (a) Inventories  | 11       | 5,464.14              | 3,946.53              |
| (b) Financial Assets   |          |                       |                       |
| (i) Trade Receivables  | 6        | 31,687.51             | 34,754.51             |
| (ii) Cash and Bank Balances  | 12       | 747.41                | 1,619.41              |
| (iii) Other Bank Balances  | 8        | 8,450.85              | 6,867.83              |
| (iv) Other Current Financial Assets  | 9        | 1,02,172.35           | 1,02,634.22           |
| (c) Other Current Assets   | 10       | 12,044.93             | 12,239.54             |
|  |          | <b>1,60,567.19</b>    | <b>1,62,062.04</b>    |
| <b>TOTAL ASSETS</b>  |          | <b>2,72,153.16</b>    | <b>2,69,402.33</b>    |
| <b>EQUITY AND LIABILITIES</b>  |          |                       |                       |
| <b>Equity</b>  |          |                       |                       |
| (a) Equity Share capital   | 13       | 819.45                | 819.45                |
| (b) Other Equity   | 14       | 37,124.05             | 42,743.22             |
| <b>Total equity</b>  |          | <b>37,943.50</b>      | <b>43,562.67</b>      |
| <b>LIABILITIES</b>   |          |                       |                       |
| <b>Non-current liabilities</b>   |          |                       |                       |
| (a) Financial liabilities  |          |                       |                       |
| (i) Borrowings   | 15       | 66,280.09             | 71,382.41             |
| (ii) Trade Payables  | 16       |                       |                       |
| - Total Outstanding Dues of Micro and Small Enterprises                      |          | -                     | -                     |
| - Total Outstanding Dues of Creditors other than Micro and Small Enterprises |          | 12,120.39             | 10,794.29             |
| (iii) Other Non- Current Financial Liabilities                               | 17       | 5,973.12              | 5,660.50              |
| (b) Provisions   | 18       | 438.92                | 604.97                |
|  |          | <b>84,812.52</b>      | <b>88,442.17</b>      |
| <b>Current liabilities</b>   |          |                       |                       |
| (a) Financial liabilities  |          |                       |                       |
| (i) Borrowings   | 19       | 62,802.45             | 55,249.00             |
| (ii) Trade Payables  | 16       |                       |                       |
| - Total Outstanding Dues of Micro and Small Enterprises                      |          | 193.67                | -                     |
| - Total Outstanding Dues of Creditors other than Micro and Small Enterprises |          | 65,568.99             | 56,833.37             |
| (ii) Other Current Financial Liabilities                                     | 20       | 18,554.86             | 23,429.48             |
| (b) Other Current Liabilities  | 21       | 2,113.82              | 1,777.96              |
| (c) Provisions   | 18       | 163.35                | 107.68                |
|  |          | <b>1,49,397.14</b>    | <b>1,37,397.49</b>    |
| <b>TOTAL LIABILITIES</b>   |          | <b>2,34,209.66</b>    | <b>2,25,839.66</b>    |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |          | <b>2,72,153.16</b>    | <b>2,69,402.33</b>    |

### Notes to Financial Statements (including Significant Accounting Policies) 1 to 49

The notes referred to above forms 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 Murmuria**

Partner

Membership No - 055788

**Subhash Chand Sethi**

Chairman

DIN: 00464390

**Abhay Raj Singh**

Company Secretary

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

**Sushil Kr. Sethi**

Managing Director

DIN: 00062927

**Sujit Kumar Jhunjunwala**

Chief Financial Officer

Place: Kolkata

Date: 18th May 2019

## Statement of Profit and Loss for the year ended March 31, 2019

₹ in Lakhs

| Particulars   | Notes | For the year ended<br>March 31st, 2019 | For the year ended<br>March 31st, 2018 |
|---|-------|--|--|
| <b>Income</b>   |       |  |  |
| Revenue from Operations   | 22    | 1,43,336.06                            | 1,35,592.55                            |
| Other Income  | 23    | 5,989.50                               | 5,578.56                               |
| <b>Total Income</b>   |       | <b>1,49,325.56</b>                     | <b>1,41,171.11</b>                     |
| <b>Expenses</b>   |       |  |  |
| Materials Consumed and Direct Expenses  | 24    | 88,966.37                              | 79,146.87                              |
| Purchases of Traded Goods   |       | 26,685.49                              | 23,785.55                              |
| Employee Benefits Expense   | 25    | 4,877.16                               | 4,791.39                               |
| Finance Cost  | 26    | 15,252.35                              | 19,557.12                              |
| Depreciation and Amortisation Expense   | 28    | 371.97                                 | 765.56                                 |
| Other Expenses  | 27    | 6,438.48                               | 7,627.91                               |
| <b>Total expenses</b>   |       | <b>1,42,591.82</b>                     | <b>1,35,674.40</b>                     |
| <b>Profit/(loss) before Tax (I)</b>   |       | <b>6,733.74</b>                        | <b>5,496.71</b>                        |
| <b>Tax Expenses</b>   |       |  |  |
| Current Tax   |       | 1,539.36                               | 993.19                                 |
| Deferred Tax  |       | 232.55                                 | 191.88                                 |
| <b>Total Income Tax Expense</b>   |       | <b>1,771.91</b>                        | <b>1,185.07</b>                        |
| <b>Profit for the Year (II)</b>   |       | <b>4,961.83</b>                        | <b>4,311.64</b>                        |
| <b>Other Comprehensive Income (OCI)</b>   |       |  |  |
| <b>Other comprehensive Income not to be reclassified to profit or loss in subsequent periods:</b> |       |  |  |
| Impact of Fair valuation of Equity Shares   |       | (638.22)                               | 61.89                                  |
| Income Tax effect   |       | 147.25                                 | (14.28)                                |
| Re-Measurement gains on defined benefit plans   |       | 81.81                                  | 41.32                                  |
| Income Tax effect   |       | (28.31)                                | (14.30)                                |
| <b>Other Comprehensive Income for the year, net of tax (III)</b>                                  |       | <b>(437.47)</b>                        | <b>74.64</b>                           |
| <b>Total Comprehensive Income for the year, net of tax (IV) = (II+III)</b>                        |       | <b>4,524.36</b>                        | <b>4,386.28</b>                        |
| Earnings per share - Basic and Diluted (Nominal value ₹2 per share)                               | 40    | 13.54                                  | 11.76                                  |

### Notes to Financial Statements (including Significant Accounting Policies) 1 to 49

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: 18th May 2019

### Subhash Chand Sethi

Chairman

DIN: 00464390

### Abhay Raj Singh

Company Secretary

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

### Sushil Kr. Sethi

Managing Director

DIN: 00062927

### Sujit Kumar Jhunjunwala

Chief Financial Officer

## Statement of Changes in Equity for the year ended March 31, 2019

### A) Equity Share Capital (also Refer Note 13)

| Particulars          | Subscribed and Fully Paid-up |        | Total Equity share capital |
|----------------------|------------------------------|--------|----------------------------|
|                      | No. of Shares                | Amount | Amount                     |
|                      |                              |        |                            |
| As at March 31, 2018 | 3,66,50,276                  | 819.45 | 819.45                     |
| As at March 31, 2019 | 3,66,50,276                  | 819.45 | 819.45                     |

### B) Other Equity

(also Refer Note 14)

| Particulars   | Reserves and Surplus |                    |                 |                   | Total       |
|---|----------------------|--------------------|-----------------|-------------------|-------------|
|   | Capital Reserve      | Securities Premium | General Reserve | Retained earnings |             |
| Balance as at March 31, 2018  | 885.73               | 15,263.80          | 5,929.05        | 20,664.65         | 42,743.22   |
| Adjustment for Modified Retrospective Impact of Ind AS 115 as on 01.04.2018 | -                    | -                  | -               | (10,143.54)       | (10,143.54) |
| Profit for the year   | -                    | -                  | -               | 4,961.83          | 4,961.83    |
| Other comprehensive income for the year, net of tax                         | -                    | -                  | -               | (437.47)          | (437.47)    |
| Total comprehensive income for the year                                     | -                    | -                  | -               | 4,524.36          | 4,524.36    |
| Balance as at March 31, 2019  | 885.73               | 15,263.80          | 5,929.05        | 15,045.46         | 37,124.05   |

#### Notes to Financial Statements (including Significant Accounting Policies) 1 to 49

The notes referred to above forms 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

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

#### CA Bijay Murmuria

Partner

Membership No - 055788

#### Subhash Chand Sethi

Chairman

DIN: 00464390

#### Sushil Kr. Sethi

Managing Director

DIN: 00062927

Place: Kolkata

Date: 18th May 2019

#### Abhay Raj Singh

Company Secretary

#### Sujit Kumar Jhunjunwala

Chief Financial Officer

## Cash flow Statement for the year ended March 31, 2019

₹ in Lakhs

| Particulars   | For the Year Ended<br>31st March 2019 | For the Year Ended<br>31st March 2018 |
|---|---------------------------------------|---------------------------------------|
| <b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>                            |                                       |                                       |
| Profit before tax   | 6,733.74                              | 5,496.71                              |
| Adjustments for:  |                                       |                                       |
| Depreciation and Amortisation expenses                                    | 371.97                                | 765.56                                |
| Interest Expenses   | 11,446.01                             | 16,662.63                             |
| Company's share in (profit) /loss of Joint Ventures                       | (849.15)                              | -                                     |
| Bad debts written off   | 1,320.66                              | 1,520.67                              |
| Provision for diminution in value of Investment                           | -                                     | 16.24                                 |
| Provision for Trade Receivable  | 430.35                                | 1,023.18                              |
| profit on sale of Investment  | (781.54)                              | (973.30)                              |
| Provisions/unspent Liabilities no longer required written back            | (60.21)                               | (1,245.08)                            |
| Interest Income   | (4,132.99)                            | (3,202.46)                            |
| <b>Operating Profit before Working Capital changes</b>                    | <b>14,478.85</b>                      | <b>20,064.15</b>                      |
| Adjustment for:   |                                       |                                       |
| Increase/(decrease) in trade payables                                     | 9,911.34                              | 33,851.25                             |
| Increase/(decrease) in provisions   | (547.85)                              | 160.63                                |
| Increase/(decrease) in other current liabilities                          | (3,021.95)                            | 5,730.26                              |
| Decrease/ (increase) in trade receivables                                 | 2,971.57                              | (21,420.19)                           |
| Decrease/ (increase) in inventories                                       | (1,517.60)                            | 62.68                                 |
| Decrease/(increase) in loans and advances                                 | 983.15                                | (3,297.56)                            |
| Decrease/(Increase) in other current assets                               | (7,643.01)                            | (23,618.86)                           |
| <b>Cash generated/(used) from operations</b>                              | <b>15,614.50</b>                      | <b>11,532.36</b>                      |
| Taxes Paid (net of refunds)   | (6,203.82)                            | 2,065.77                              |
| <b>Net Cash from Operating Activities</b>                                 | <b>9,410.68</b>                       | <b>13,598.13</b>                      |
| <b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>                            |                                       |                                       |
| Purchase of PPE including capital work in progress and capital advances   | (184.52)                              | (122.02)                              |
| Fixed Deposits encashed/matured   | (2,830.42)                            | 69.69                                 |
| Sale / (purchase) of non-current investments:                             | 2,276.76                              | 3,194.67                              |
| Loans refunded by other related party                                     | (2,058.88)                            | (727.74)                              |
| Interest received   | 2,309.20                              | 2,393.32                              |
| <b>Net Cash generated/(used) in Investing Activities</b>                  | <b>(487.86)</b>                       | <b>4,807.92</b>                       |
| <b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>                            |                                       |                                       |
| Net movement in Long Term Borrowings                                      | (4,768.06)                            | (3,311.11)                            |
| Net movement in Short Term Borrowings                                     | 7,553.45                              | 2,587.40                              |
| Interest paid   | (12,580.21)                           | (19,131.42)                           |
| <b>Net Cash generated/(used) in Financing Activities</b>                  | <b>(9,794.82)</b>                     | <b>(19,855.13)</b>                    |
| <b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>             | <b>(872.00)</b>                       | <b>(1,449.08)</b>                     |
| Cash & Cash Equivalents at the beginning of the year                      | 1,618.44                              | 3,067.52                              |
| <b>Cash &amp; Cash Equivalents at the end of the year (Refer Note 12)</b> | <b>746.44</b>                         | <b>1,618.44</b>                       |

**Note:** The above Cash Flow Statement has been prepared under the Indirect method as setout in Indian Accounting Standard 7 (Ind AS 7) "Statement of Cash Flows".

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

### For Maheshwari & Associates

Chartered Accountants

ICAI Firm Registration No. 311008E

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

SPML Infra Limited

### CA Bijay Murmuria

Partner

Membership No - 055788

### Subhash Chand Sethi

Chairman

DIN: 00464390

### Sushil Kr. Sethi

Managing Director

DIN: 00062927

Place: Kolkata

Date: 18th May 2019

### Abhay Raj Singh

Company Secretary

### Sujit Kumar Jhunjhunwala

Chief Financial Officer

# **Notes to Financial Statements** as at and for the year ended March 31, 2019

## **Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31st March, 2019. (All amount in ₹ lakhs, unless otherwise stated)**

### 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 31st March, 2019 have been approved by the Board of Directors on 18th May, 2019.

## 1. SIGNIFICANT ACCOUNTING POLICIES

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

- a) These financial statements for the year ended 31st March 2019 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 recognized 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 investments 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 from the

## Notes to Financial Statements as at and for the year ended March 31, 2019

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 Company 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. For the remaining assets, the Company has applied Ind AS retrospectively, from the date of their acquisition.

### (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 amortized on a straight line basis, over their useful life of 3 years. The amortization period and the amortization method are reviewed at the end of each reporting period.

On transition to Ind AS, The Company has applied Ind AS retrospectively, from the date of their acquisition for Intangible Assets

### (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 is

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 amortized on a straight line basis, over their useful life of 3 years. The amortization period and the amortization 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 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.

### (x) 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.

### (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.



## **Notes to Financial Statements** as at and for the year ended March 31, 2019

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.

### c) 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.

### 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 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.

### 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 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

#### c) Subsequent Measurement of Financial Liabilities

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

# Notes to Financial Statements as at and for the year ended March 31, 2019

**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.

## 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 recognized amounts and the Company intends either to settle on a net basis, or to realize 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 realizable value. Cost is determined on weighted average basis.

Stock of trading goods is valued at lower of cost, or net realizable value. Cost is determined on First in First out (FIFO) 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.

## (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 sale of goods including contracts for supply/commissioning of complex plant and equipment is recognised as follows:

## **Notes to Financial Statements** as at and for the year ended March 31, 2019

Revenue from sale of traded goods is recognised when the control of the same is transferred to the customer and it is probable that the Company will collect the consideration to which it is entitled for the exchanged goods. Performance obligations in respect of contracts for sale of traded goods is considered as satisfied at a point in time when the control of the same is transferred to the customer and where there is an alternative use of the asset or the company does not have either explicit or implicit right of payment for performance completed till date. In case where there is no alternative use of the asset and the company has either explicit or implicit right of payment considering legal precedents, performance obligation is considered as satisfied over a period of time and revenue is recognized over time.

- b) Revenue from construction/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.

- c) 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.

# **Notes to Financial Statements** as at and for the year ended March 31, 2019

## **(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 determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

## **(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 recognized 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 amortized at expense or income over the life of the respective contracts. Exchange differences on such contracts are recognized 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 recognized 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 utilized 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

## **Notes to Financial Statements** as at and for the year ended March 31, 2019

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.

#### **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.

### **(xx) 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.

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.

### **(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 recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize 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, 2019

## NOTE 3: PROPERTY, PLANT AND EQUIPMENT

| 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, 2017</b>        | <b>7,435.52</b> | <b>1,460.32</b> | <b>2,342.17</b>                               | <b>6,609.66</b>     | <b>1,585.48</b>        | <b>1,190.29</b> | <b>2,367.51</b>         | <b>22,990.95</b> |
| Additions                          | -               | -               | 16.65   | 60.83               | 13.34                  | 11.20           | 18.97                   | 120.99           |
| Deductions                         | -               | -               | -   | -                   | -                      | -               | -                       | -                |
| <b>As at March 31, 2018</b>        | <b>7,435.52</b> | <b>1,460.32</b> | <b>2,358.82</b>                               | <b>6,670.49</b>     | <b>1,598.82</b>        | <b>1,201.49</b> | <b>2,386.48</b>         | <b>23,111.94</b> |
| Additions                          | -               | -               | 1.80  | 14.25               | 12.72                  | 107.35          | 35.62                   | 171.73           |
| Adjustments                        | -               | -               | -   | 13.40               | -                      | -               | -                       | 13.40            |
| Deductions                         | -               | -               | -   | -                   | -                      | -               | -                       | -                |
| <b>As at March 31, 2019</b>        | <b>7,435.52</b> | <b>1,460.32</b> | <b>2,360.62</b>                               | <b>6,698.14</b>     | <b>1,611.54</b>        | <b>1,308.84</b> | <b>2,422.10</b>         | <b>23,297.07</b> |
| <b>DEPRECIATION AND IMPAIRMENT</b> |                 |                 |   |                     |                        |                 |                         |                  |
| <b>As at March 31, 2017</b>        | -               | <b>266.62</b>   | <b>2,324.13</b>                               | <b>4,760.31</b>     | <b>1,404.15</b>        | <b>934.34</b>   | <b>2,114.90</b>         | <b>11,804.45</b> |
| Charge for the year                | -               | 25.53           | 6.30  | 586.10              | 40.09                  | 73.36           | 31.87                   | 763.25           |
| Deductions                         | -               | -               | -   | -                   | -                      | -               | -                       | -                |
| <b>As at March 31, 2018</b>        | -               | <b>292.15</b>   | <b>2,330.43</b>                               | <b>5,346.41</b>     | <b>1,444.24</b>        | <b>1,007.70</b> | <b>2,146.77</b>         | <b>12,567.70</b> |
| Charge for the year                | -               | 25.53           | 10.08   | 213.94              | 39.21                  | 65.21           | 17.72                   | 371.70           |
| Deductions                         | -               | -               | -   | -                   | -                      | -               | -                       | -                |
| <b>As at March 31, 2019</b>        | -               | <b>317.68</b>   | <b>2,340.51</b>                               | <b>5,560.35</b>     | <b>1,483.45</b>        | <b>1,072.91</b> | <b>2,164.49</b>         | <b>12,939.40</b> |
| <b>NET BLOCK</b>                   |                 |                 |   |                     |                        |                 |                         |                  |
| <b>As at March 31, 2018</b>        | <b>7,435.52</b> | <b>1,168.17</b> | <b>28.39</b>                                  | <b>1,324.09</b>     | <b>154.58</b>          | <b>193.79</b>   | <b>239.71</b>           | <b>10,544.25</b> |
| <b>As at March 31, 2019</b>        | <b>7,435.52</b> | <b>1,142.64</b> | <b>20.10</b>                                  | <b>1,137.79</b>     | <b>128.09</b>          | <b>235.92</b>   | <b>257.61</b>           | <b>10,357.67</b> |

₹ in Lakhs



## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 4: INTANGIBLE ASSETS

|                                 |  | ₹ in Lakhs         |
|---------------------------------|--|--------------------|
| Particulars                     |  | Computer Softwares |
| <b>GROSS BLOCK</b>              |  |                    |
| <b>As at March 31, 2017</b>     |  | <b>409.47</b>      |
| Additions                       |  | -                  |
| Deductions                      |  | -                  |
| <b>As at March 31, 2018</b>     |  | <b>409.47</b>      |
| Additions                       |  | 0.38               |
| Deductions                      |  | -                  |
| <b>As at March 31, 2019</b>     |  | <b>409.85</b>      |
| <b>ACCUMULATED AMORTISATION</b> |  |                    |
| <b>As at March 31, 2017</b>     |  | <b>386.45</b>      |
| Charge for the year             |  | 2.32               |
| Deductions                      |  | -                  |
| <b>As at March 31, 2018</b>     |  | <b>388.77</b>      |
| Charge for the year             |  | 0.27               |
| Deductions                      |  | -                  |
| <b>As at March 31, 2019</b>     |  | <b>389.04</b>      |
| <b>NET BLOCK</b>                |  |                    |
| <b>As at March 31, 2018</b>     |  | <b>20.70</b>       |
| <b>As at March 31, 2019</b>     |  | <b>20.81</b>       |

### NOTE 5: NON- CURRENT INVESTMENTS

|  |                      | ₹ in Lakhs           |
|--|----------------------|----------------------|
| Particulars  | As at March 31, 2019 | As at March 31, 2018 |
| <b>(a) In Quoted Equity Instruments at FVOCI</b>   |                      |                      |
| <b>Indian Acrylics Limited</b>   | 0.01                 | 0.01                 |
| 100 (Previous year 100) equity shares of ₹10 each  |                      |                      |
| <b>Best and Crompton Engineering Limited</b>   | 0.10                 | 0.10                 |
| 200 (Previous year 200) equity shares of ₹10 each  |                      |                      |
|  | <b>0.11</b>          | <b>0.11</b>          |
| Less: Provision for diminution in value of investments   | 0.11                 | 0.11                 |
| Net quoted Investments   | -                    | -                    |
| <b>(b) In Unquoted Equity Shares in Subsidiaries (Fully paid up) at Cost</b>   |                      |                      |
| <b>Subhash Kabini Power Corporation Limited*</b>   | 2,063.16             | 2,063.16             |
| 13,172,000 (Previous year 13,172,000) equity shares of ₹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. |                      |                      |
| <b>SPM Holdings Pte Limited*</b>   | 392.28               | 392.28               |
| <b>Madurai Municipal Waste Processing Company Private Limited *</b>  | 587.80               | 587.80               |
| 5,878,000 (Previous year 5,878,000) equity shares of ₹10 each  |                      |                      |
| <b>Bhagalpur Electricity Distribution Company Private Limited</b>  | 1,219.93             | 1,219.93             |
| 10,000 (Previous year 10,000) equity shares of ₹10 each  |                      |                      |
| <b>Mizoram Infrastructure Development Company Limited</b>  | 5.00                 | 5.00                 |
| 34,500 (Previous year 34,500) equity shares of ₹10 each  |                      |                      |
| <b>SPML Infraprojects Limited</b>  | -                    | -                    |
| NIL (Previous year 250,000) equity shares of ₹2 each   |                      |                      |
| <b>SPML Infra Developers Limited</b>   | 5.00                 | 5.00                 |

# **Notes to Financial Statements** as at and for the year ended March 31, 2019

## NOTE 5: NON- CURRENT INVESTMENTS (CONTD..)

₹ in Lakhs

| Particulars   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---|-------------------------|-------------------------|
| 250,000 (Previous year 250,000) equity shares of ₹2 each<br><b>Delhi Waste Management Limited</b>   | 838.27                  | 838.27                  |
| 292,500 (Previous year 292,500) equity shares of ₹10 each<br><b>Neogal Power Company Private Limited</b>  | 66.61                   | 66.61                   |
| 1,136,774 (Previous year 1,136,774) equity shares of ₹1 each<br><b>Awa Power Company Private Limited*</b>   | 203.28                  | 203.28                  |
| 2,639,605 (Previous year 2,639,605) equity shares of ₹1 each<br><b>Luni Power Company Private Limited</b>   | 337.92                  | 337.92                  |
| 7,049,597 (Previous year 7,049,597) equity shares of ₹1 each<br><b>IGU Power Company Private Limited</b>  | 412.57                  | 412.57                  |
| 2,580,500 (Previous year 2,580,500) equity shares of ₹1 each.<br>Of the above, 2,506,875 (Previous year 2,506,875) equity shares<br>are pledged with Punjab National Bank against loans obtained by<br>the said investee Company.                 |                         |                         |
| <b>Binwa Power Company Private Limited</b>  | 436.09                  | 436.09                  |
| 2,948,340 (Previous year 2,948,340) equity shares of ₹1 each<br><b>SPML Energy Limited</b>  | 466.94                  | 466.94                  |
| 99,550,000 (Previous year 99,550,000) equity shares of ₹1 each<br><b>SPML Infrastructure Limited</b>  | 2,946.62                | 2,946.62                |
| 7,432,000 (Previous year 7,432,000) equity shares of ₹1 each<br><b>Subhas Urja Private Limited</b>  | 1.00                    | 1.00                    |
| 10,000 (Previous year 10,000) equity shares of ₹10 each<br><b>SPML Utilities Limited</b>  | 762.30                  | 762.30                  |
| 200,000,000 (Previous year 200,000,000) equity shares of ₹1 each<br><b>Doon Valley Waste Management Private Limited</b>   | 2.50                    | 2.50                    |
| 25,000 (Previous year 25,000) equity shares of ₹10 each<br><b>Mathura Nagar Waste Processing Company Limited</b>  | 2.55                    | 2.55                    |
| 255,000 (Previous year 255,000) equity shares of ₹1 each<br><b>Allahabad Waste Processing Company Limited</b>   | 2.55                    | 2.55                    |
| 255,000 (Previous year 255,000) equity shares of ₹1 each  |                         |                         |
|   | <b>10,752.37</b>        | <b>10,752.37</b>        |
| Less: Provision for diminution in value of investments  | 1,042.49                | 1,042.49                |
|   | <b>9,709.88</b>         | <b>9,709.88</b>         |
| <b>(c) In Unquoted Equity Shares in Associates (Fully paid up) at Cost</b>  |                         |                         |
| <b>Bhilwara Jaipur Toll Road Private Limited*</b>   | 5,191.38                | 5,191.38                |
| 3,520,302 (Previous year 3,520,302) equity shares of ₹10 each.<br>Of the above, 12,49,336 (Previous year 12,49,336) equity shares<br>are pledged with ICICI Bank and Punjab National Bank against<br>loans obtained by the said investee Company. |                         |                         |
| <b>Aurangabad Jal Supply Solution Private Limited</b>   | -                       | 0.26                    |
| NIL (Previous year 2,600) equity shares of ₹10 each<br><b>Aurangabad Jal Construction Private Limited</b>   | -                       | 0.26                    |
| <b>(Formerly Essel Water Utility Company Private Limited)</b>   |                         |                         |
| NIL (Previous year 2,600) equity shares of ₹10 each<br><b>SPML Bhiwandi Water Supply Infra Limited</b>  | 2.25                    | 2.25                    |
| 224,700 (Previous year 224,700) equity shares of ₹1 each<br><b>SPML Bhiwandi Water Supply Management Limited</b>  | 2.50                    | 2.50                    |
| 250,000 (Previous year 250,000) equity shares of ₹1 each  |                         |                         |
|   | <b>5,196.13</b>         | <b>5,196.65</b>         |
| Less: Provision for diminution in value of investments  | -                       | -                       |
|   | <b>5,196.13</b>         | <b>5,196.65</b>         |

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 5: NON- CURRENT INVESTMENTS (CONTD..)

| ₹ in Lakhs   |                         |                         |
|--|-------------------------|-------------------------|
| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|  | <b>5,196.13</b>         | <b>5,196.65</b>         |
| <b>(d) In Joint Operations at Cost</b>   |                         |                         |
| Om Metal Consortium  | -                       | 718.46                  |
| Siddarth - Mahaveer - SPML JV  | -                       | 88.27                   |
| SPML - Simplex JV  | -                       | 31.34                   |
| SPML - CISC JV   | -                       | 3.37                    |
| M&P + Subhash JV   | -                       | 15.04                   |
| <b>(e) In Unquoted Equity Shares in Joint Venture (Fully paid up) at Cost</b>                    |                         |                         |
| Malviya Nagar Water Services Private Limited   | 220.50                  | 220.50                  |
| 2,205,000 (Previous year 2,205,000) equity shares of ₹10 each                                    |                         |                         |
| Gurha Thermal Power Company Limited  | 2.50                    | 2.50                    |
| 25,000 (Previous year 25,000) equity shares of ₹10 each  |                         |                         |
| Aurangabad City Water Utility Limited  | 104.77                  | 104.77                  |
| MVV Water Utility Private Limited TYPE A Shares  | 1.00                    | 1.00                    |
| 10,000 (Previous year 10,000) equity shares of ₹10 each  |                         |                         |
| MVV Water Utility Private Limited TYPE B Shares  | 0.42                    | 0.42                    |
| 364,693 (Previous year 364,693) equity shares of ₹10 each  |                         |                         |
|  | <b>329.19</b>           | <b>1,185.67</b>         |
| <b>(f) In Unquoted Equity Instruments at FVOCI</b>   |                         |                         |
| Bharat Hydro Power Corporation Limited   | 476.00                  | 1,114.22                |
| 3,294,150 (Previous year 3,294,150) equity shares of ₹10 each                                    |                         |                         |
| Arihant Leasing and Holding Limited  | 0.75                    | 0.75                    |
| 24,000 (Previous year 24,000) equity shares of ₹10 each  |                         |                         |
| SPML India Limited   | 1.50                    | 1.50                    |
| 10,000 (Previous year 10,000) equity shares of ₹10 each  |                         |                         |
| Petrochem Industries Limited   | 0.14                    | 0.14                    |
| 500 (Previous year 500) equity shares of ₹10 each  |                         |                         |
| Hindustan Engineering & Industries Limited (Bonus Shares)  | -                       | -                       |
| 4 (Previous year 4) equity shares of ₹10 each  |                         |                         |
| Om Metal - SPML Infraproject Private Limited   | 0.50                    | 0.50                    |
| 4,999 (Previous year 4,999) equity shares of ₹10 each  |                         |                         |
| Pondicherry Port Limited (Other Investments)   | 0.01                    | 0.01                    |
| 100 (Previous year 100) equity shares of ₹10 each  |                         |                         |
| Jarora Nayaganv Toll Road Company Private Limited  | 0.05                    | 0.05                    |
| 500 (Previous year 500) equity shares of ₹10 each.   |                         |                         |
| The equity shares are pledged with OBC Bank against loans obtained by the said investee Company. |                         |                         |
| <b>(g) In Unquoted Debt Instruments at Amortised Cost (fully paid-up)</b>                        |                         |                         |
| Escorts Tractors Limited   | 0.01                    | 0.01                    |
| 25 (Previous year 25) Debentures of ₹1 each  |                         |                         |
| Hindustan Engineering & Industries Limited   | 0.06                    | 0.06                    |
| 110 (Previous year 110) Debentures of ₹1 each  |                         |                         |
|  | <b>479.02</b>           | <b>1,117.24</b>         |
| Less: Provision for diminution in value of investments   | 2.45                    | 2.45                    |
|  | <b>476.56</b>           | <b>1,114.78</b>         |
| <b>(h) In Unquoted Debt Instruments at Amortised cost</b>  |                         |                         |
| Allahabad Waste Processing Company Private Limited   | 450.00                  | 450.00                  |
| 5,000,000 (Previous year 5,000,000) Preference Shares of ₹1 each                                 |                         |                         |
| MVV Water Utility Private Limited  | -                       | -                       |
| 18,380 (Previous year 18,380) Debentures of ₹100 each  |                         |                         |

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 5: NON- CURRENT INVESTMENTS (CONTD..)

| ₹ in Lakhs   |                         |                         |
|--|-------------------------|-------------------------|
| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|  | 450.00                  | 450.00                  |
| <b>(i) In Others at FVTPL</b>                      |                         |                         |
| National Saving Certificate                        | 0.52                    | 0.52                    |
| Mutual funds                                       | 5.00                    | 5.00                    |
| 50,000 units of ₹10 each                           |                         |                         |
|  | 5.52                    | 5.52                    |
| <b>Total</b>                                       | <b>16,167.29</b>        | <b>17,662.50</b>        |
| <b>Aggregate value of investments</b>              |                         |                         |
| Quoted (net of provision in value of diminution)   | -                       | -                       |
| Unquoted (net of provision in value of diminution) | 16,167.29               | 17,662.50               |
| Market value of quoted investment                  | -                       | -                       |

\* 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.

#### Notes:

#### 1. 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; 74,32,000 Equity Shares in SPML Infrastructure Limited; 2,55,000 Equity Shares in Allahabad Waste Processing Company Limited; 9,999 Equity Shares in Bhagalpur Electricity Distribution Company Private Limited; 29,48,340 Equity Shares in Binwa Power Company Private Limited; 2,92,500 Equity Shares in Delhi Waste Management Limited; 25,000 Equity Shares in Doon Valley Waste Management Private Limited; 2,55,000 Equity Shares in Mathura Nagar Waste Processing Company Limited; 2,24,700 Equity Shares in SPML Bhiwandi Water Supply Infra Limited; 2,49,700 Equity Shares in SPML Bhiwandi Water Supply Management Limited 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 6 : TRADE RECEIVABLES

(at amortised cost)

| ₹ in Lakhs   |                            |                            |                            |                            |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
| Particulars  | Non-current                |                            | Current                    |                            |
|  | As at<br>March 31,<br>2019 | As at<br>March 31,<br>2018 | As at<br>March 31,<br>2019 | As at<br>March 31,<br>2018 |
| Trade Receivables  | 47,288.57                  | 50,581.44                  | 25,364.08                  | 29,668.88                  |
| Trade Receivables - Related Parties                                | -                          | -                          | 6,323.43                   | 5,085.63                   |
| Trade Receivables - which have significant increase in credit risk | -                          | -                          | -                          | -                          |
| Trade Receivables - Credit Impaired                                | -                          | -                          | -                          | -                          |
| Less: Allowance for doubtful trade receivables                     | (18,002.80)                | (19,457.04)                | -                          | -                          |
| <b>Total Trade Receivables</b>                                     | <b>29,285.77</b>           | <b>31,124.40</b>           | <b>31,687.51</b>           | <b>34,754.51</b>           |

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 6 : TRADE RECEIVABLES (CONTD..)

Break- up for Security details:

| Particulars                                     | Non-current        |                    | Current          |                  |
|---|--------------------|--------------------|------------------|------------------|
|   | As at              | As at              | As at            | As at            |
|   | March 31, 2019     | March 31, 2018     | March 31, 2019   | March 31, 2018   |
| <b>Trade Receivables</b>                        |                    |                    |                  |                  |
| Secured, considered good                        | -                  | -                  | -                | -                |
| Unsecured, considered good                      | 42,956.89          | 45,023.51          | 31,687.51        | 34,754.51        |
| considered doubtful                             | 4,331.68           | 5,557.93           | -                | -                |
|   | <b>47,288.57</b>   | <b>50,581.44</b>   | <b>31,687.51</b> | <b>34,754.51</b> |
| <b>Allowance for doubtful trade receivables</b> |                    |                    |                  |                  |
| on unsecured, considered good                   | (13,671.12)        | (13,899.11)        | -                | -                |
| (Expected Credit Loss)                          |                    |                    |                  |                  |
| on considered doubtful                          | (4,331.68)         | (5,557.93)         | -                | -                |
|   | <b>(18,002.80)</b> | <b>(19,457.04)</b> | <b>-</b>         | <b>-</b>         |
| <b>Total Trade Receivables</b>                  | <b>29,285.77</b>   | <b>31,124.40</b>   | <b>31,687.51</b> | <b>34,754.51</b> |

**Note 6.1:** Trade Receivable from private limited companies in which Company 's director(s) is/ are director(s)/ member(s)

| Name   | Non-current    |                | Current        |                |
|--|----------------|----------------|----------------|----------------|
|  | As at          | As at          | As at          | As at          |
|  | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| Madurai Municipal Waste Processing Company Private Limited | -              | -              | 118.51         | 118.51         |
| MVV Water Utility Private Limited                          | -              | -              | 416.04         | 310.22         |
| <b>Total</b>   | <b>-</b>       | <b>-</b>       | <b>534.55</b>  | <b>428.73</b>  |

**Note 6.2 :** Trade receivables are non-interest bearing and the payment period generally varies from 30 days to 60 days.

**Note 6.3 :** For terms and conditions relating to Related Party receivables (Refer Note 35)

### NOTE 7: LOANS

(at amortised cost)

| Particulars                               | Non-current      |                  | Current        |                |
|---|------------------|------------------|----------------|----------------|
|   | As at            | As at            | As at          | As at          |
|   | March 31, 2019   | March 31, 2018   | March 31, 2019 | March 31, 2018 |
| Security Deposits                         | 596.08           | 3,419.95         | -              | -              |
| Loans to related parties* (Refer Note 35) | 12,081.97        | 9,866.55         | -              | -              |
| <b>Total Loans</b>                        | <b>12,678.05</b> | <b>13,286.50</b> | <b>-</b>       | <b>-</b>       |

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 7: LOANS (CONTD..)

#### Break-up:

| Particulars  | Non-current      |                  | Current        |                |
|--|------------------|------------------|----------------|----------------|
|  | As at            | As at            | As at          | As at          |
|  | March 31, 2019   | March 31, 2018   | March 31, 2019 | March 31, 2018 |
| Loans considered good - Secured                      | -                | -                | -              | -              |
| Loans considered good - Unsecured                    | 12,678.05        | 13,286.50        | -              | -              |
| Loans which have significant increase in credit risk | -                | -                | -              | -              |
| Loans credit Impaired                                | -                | -                | -              | -              |
| <b>Total Loans</b>                                   | <b>12,678.05</b> | <b>13,286.50</b> | <b>-</b>       | <b>-</b>       |
| Less:- Allowance for doubtful Loans                  | -                | -                | -              | -              |
| <b>Total Loans</b>                                   | <b>12,678.05</b> | <b>13,286.50</b> | <b>-</b>       | <b>-</b>       |

₹ in Lakhs

#### \* Loans due from private limited companies in which Company 's director(s) is/ are director(s)/ member(s)

| Name                              | Non-current    |                | Current        |                |
|-----------------------------------|----------------|----------------|----------------|----------------|
|                                   | As at          | As at          | As at          | As at          |
|                                   | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| MVV Water Utility Private Limited | -              | 62.38          | -              | -              |
| <b>Total</b>                      | <b>-</b>       | <b>62.38</b>   | <b>-</b>       | <b>-</b>       |

₹ in Lakhs

**Note 7.1.** 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.

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

| Name   | As at 31st March, 2019 |                                    | As at 31st March, 2018 |                                    |
|--|------------------------|------------------------------------|------------------------|------------------------------------|
|  | Balance                | Maximum                            | Balance                | Maximum                            |
|  | Outstanding            | Amount Outstanding during the year | Outstanding            | Amount Outstanding during the year |
| Subhash Kabini Power Corporation Limited               | 1,291.12               | 1,405.58                           | 811.59                 | 867.13                             |
| Spml Energy Limited                                    | 254.47                 | 254.47                             | 228.74                 | 228.74                             |
| SPML Infrastructure Limited                            | 809.54                 | 887.96                             | 887.96                 | 887.96                             |
| Awa Power Company Private Limited                      | 1,114.61               | 1,114.61                           | 987.11                 | 987.11                             |
| IQU Power Company Private Limited                      | 987.11                 | 987.11                             | 870.67                 | 870.67                             |
| Neogal Power Company Private Limited                   | 736.51                 | 736.51                             | 662.04                 | 662.04                             |
| Luni Power Company Private Limited                     | 439.20                 | 439.20                             | 394.80                 | 394.80                             |
| Add Urban Enviro Ltd                                   | -                      | -                                  | -                      | 1,929.61                           |
| Subhash Urja Private Limited                           | 0.01                   | 0.01                               | 0.01                   | 0.01                               |
| Spml Utilities Limited                                 | 555.86                 | 556.55                             | 552.62                 | 552.62                             |
| Bhagalpur Electricity Distribution Co. Private Limited | 4,447.34               | 4,447.34                           | 4,016.33               | 4,016.33                           |
| Allahabad Waste Processing Co. Limited                 | 27.98                  | 31.45                              | 25.20                  | 25.20                              |
| Doon Valley Waste Management Private Limited           | 34.07                  | 34.07                              | 29.96                  | 29.96                              |
| Spml Bhiwandi Water Supply Infra Limited               | 977.04                 | 977.04                             | 876.75                 | 876.75                             |

₹ in Lakhs



## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 7: LOANS (CONTD..)

| Name   | As at 31st March, 2019 |  | As at 31st March, 2018 |  |
|--|------------------------|--|------------------------|--|
|  | Balance Outstanding    | Maximum Amount Outstanding during the year | Balance Outstanding    | Maximum Amount Outstanding during the year |
| Spml Bhiwandi Water Supply Management Limited      | 44.44                  | 44.44                                      | 38.44                  | 38.44                                      |
| Gurha Thermal Power Co Limited                     | 1,190.94               | 1,190.94                                   | 1,070.53               | 1,070.53                                   |
| Aurangabad City Water Utility Co. Limited          | 215.99                 | 215.99                                     | 215.99                 | 215.99                                     |
| Hydro-comp Enterprises (India) Private Limited     | 0.51                   | 0.51                                       | 0.32                   | 0.32                                       |
| Mizoram Infrastructure Development Company Limited | -                      | -  | -                      | 0.01                                       |
| SPML Infraprojects Limited                         | -                      | -  | -                      | 1.41                                       |
| International Construction Limited                 | 1,046.20               | 1,047.45                                   | 1,040.70               | 1,042.65                                   |
| Peacock Pearl Business Solution Pvt Ltd            | 0.13                   | 0.13                                       | 0.13                   | 0.13                                       |
| Bharat Hydro Power Corporation Limited             | 159.71                 | 159.71                                     | -                      | -  |
| Acropolis Properties Pvt Ltd                       | 1.08                   | 1.08                                       | -                      | -  |

Note: All balances in the above table are inclusive of interest.

### NOTE 8 : OTHER BANK BALANCES

(at Amortised Cost)

| Particulars  | Non-current          |                      | Current              |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 |
| Deposit with Maturity more than 12 months*                         | 5,278.52             | 4,031.11             | -                    | -                    |
| Deposits with Maturity more than 3 months but less than 12 months* | -                    | -                    | 8,450.85             | 6,867.83             |
| <b>TOTAL</b>   | <b>5,278.52</b>      | <b>4,031.11</b>      | <b>8,450.85</b>      | <b>6,867.83</b>      |

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

### NOTE 9 : OTHER FINANCIAL ASSETS

(at Amortised Cost, unless otherwise stated)

| Particulars                             | Non-current          |                      | Current              |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | As at March 31, 2019 | As at March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 |
| Interest Accrued on Fixed deposit/ Loan | 208.26               | -                    | 1,812.26             | 2,684.59             |
| Earnest Money Deposits                  | -                    | -                    | 558.05               | 714.59               |
| Advance Against Sale of Investments     | -                    | -                    | 200.00               | 200.00               |
| Unbilled Revenue                        | -                    | -                    | 77,459.94            | 77,856.54            |
| Retention Money                         | -                    | -                    | 21,964.78            | 20,932.58            |
| Other Receivables                       | -                    | -                    | 177.32               | 245.92               |
| <b>TOTAL</b>                            | <b>208.26</b>        | <b>-</b>             | <b>1,02,172.35</b>   | <b>1,02,634.22</b>   |

## Notes to Financial Statements

as at and for the year ended March 31, 2019

### NOTE 10 : OTHER ASSETS

(at amortised cost)

₹ in Lakhs

| Particulars  | Non-current                |                            | Current                    |                            |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
|  | As at<br>March 31,<br>2019 | As at<br>March 31,<br>2018 | As at<br>March 31,<br>2019 | As at<br>March 31,<br>2018 |
| <b>Unsecured, considered good</b>                      |                            |                            |                            |                            |
| Capital advances                                       | 251.25                     | 252.25                     | -                          | -                          |
| Advances recoverable in cash or kind                   | -                          | -                          | 5,925.66                   | 7,153.25                   |
| Prepaid expenses                                       | -                          | -                          | 272.89                     | 1,080.62                   |
| Balance with Revenue Authorities                       | -                          | -                          | 5,846.38                   | 4,005.67                   |
| Advance income-tax (net of provision for taxation)     | 5,292.75                   | 6,115.57                   | -                          | -                          |
| Interest accrued on arbitration awards (Refer Note 44) | 20,947.09                  | 18,459.23                  | -                          | -                          |
|  | <b>26,491.09</b>           | <b>24,827.05</b>           | <b>12,044.93</b>           | <b>12,239.54</b>           |

### NOTE 11 : INVENTORIES

(Valued at lower of Cost and Net Realisable Value)

₹ in Lakhs

| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--|-------------------------|-------------------------|
| Project materials  | 5,277.63                | 3,758.68                |
| Stores and spares  | 103.47                  | 104.81                  |
| Work in progress   | 83.04                   | 83.04                   |
| <b>Total inventories at the lower of cost and Net realisable value</b> | <b>5,464.14</b>         | <b>3,946.53</b>         |

### NOTE 12 : CASH AND BANK BALANCES

(at Amortised Cost)

₹ in Lakhs

| Particulars                         | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|-------------------------------------|-------------------------|-------------------------|
| <b>Cash and cash equivalents</b>    |                         |                         |
| Balances with banks :               |                         |                         |
| On current accounts                 | 730.73                  | 1,603.82                |
| Cash on hand                        | 15.71                   | 14.62                   |
| <b>(A)</b>                          | <b>746.44</b>           | <b>1,618.44</b>         |
| <b>Other bank balances</b>          |                         |                         |
| Balances in unpaid dividend account | 0.97                    | 0.97                    |
| <b>(B)</b>                          | <b>0.97</b>             | <b>0.97</b>             |
|                                     | <b>747.41</b>           | <b>1,619.41</b>         |

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 13 : SHARE CAPITAL

| Particulars  | ₹ in Lakhs              |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| <b>Authorized capital</b>                            |                         |                         |
| 200,000,000 equity shares ₹2 par value per share     | 4,000.00                | 4,000.00                |
| 1,000,000 preference shares ₹100 par value per share | 1,000.00                | 1,000.00                |
|  | <b>5,000.00</b>         | <b>5,000.00</b>         |
| <b>Issued, subscribed and paid-up capital</b>        |                         |                         |
| 36,650,276 equity shares ₹2 par value per share      | 733.01                  | 733.01                  |
| Add : Forfeited shares (amount originally paid up)   | 86.44                   | 86.44                   |
|  | <b>819.45</b>           | <b>819.45</b>           |

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

##### Equity Shares

| Particulars                        | As at 31st March, 2019 |            | As at 31st March, 2018 |            |
|------------------------------------|------------------------|------------|------------------------|------------|
|                                    | No. of<br>Shares       | ₹ In Lakhs | No. of<br>Shares       | ₹ In Lakhs |
| At the beginning of the year       | 3,66,50,276            | 733.01     | 3,66,50,276            | 733.01     |
| Calls in arrears                   | -                      | -          | -                      | -          |
| Outstanding at the end of the year | 3,66,50,276            | 733.01     | 3,66,50,276            | 733.01     |

#### b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹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. Details of shareholders holding more than 5% equity shares of the Company

|                                     | As at 31st March, 2019 |           | As at 31st March, 2018 |           |
|-------------------------------------|------------------------|-----------|------------------------|-----------|
|                                     | No. of<br>Shares       | % holding | No. of<br>Shares       | % holding |
| Client Rosehill Limited             | 35,21,575              | 9.61      | 35,21,575              | 9.61      |
| State Bank of India                 | 22,41,828              | 6.12      | 28,49,006              | 7.77      |
| Zoom Industrial Services Limited    | 25,00,000              | 6.82      | 25,00,000              | 6.82      |
| SPML India Limited                  | 21,19,055              | 5.78      | 21,19,055              | 5.78      |
| CVCIGP II Employee Rosehill Limited | 19,72,301              | 5.38      | 19,72,301              | 5.38      |

- d. 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.
- e. 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 31.03.2019 had pledged 35.84% of the Shares as held by them in the Company in favour of the Security Trustee.
- f. No bonus shares or shares issued for consideration other than cash or shares bought back over the last five years immediately preceeding the reporting date.

## Notes to Financial Statements

as at and for the year ended March 31, 2019

### NOTE 14 : OTHER EQUITY

₹ in Lakhs

| Particulars                                  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--|-------------------------|-------------------------|
| A. Capital reserve                           | 885.73                  | 885.73                  |
| B. Securities premium                        | 15,263.80               | 15,263.80               |
| C. General reserve                           | 5,929.05                | 5,929.05                |
| D. Retained Earnings (movements given below) | 15,337.94               | 20,519.64               |
| E. Other Comprehensive Income                | (292.47)                | 145.00                  |
| <b>Total - Other equity</b>                  | <b>37,124.05</b>        | <b>42,743.22</b>        |

### Movement in Retained Earnings

₹ in Lakhs

| Particulars   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---|-------------------------|-------------------------|
| <b>Opening Balance</b>  | 20,519.65               | 16,208.02               |
| Less: Adjustment for Modified Retrospective Impact of Ind AS 115 as on 01.04.2018 | (10,143.54)             | -                       |
| Add: Profit for the year  | 4,961.83                | 4,311.63                |
| <b>Closing Balance</b>  | <b>15,337.94</b>        | <b>20,519.64</b>        |

### NOTE 15 : BORROWINGS

(at Amortised Cost)

₹ in Lakhs

| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--|-------------------------|-------------------------|
| <b>Secured</b>   |                         |                         |
| <b>Term loans</b>  |                         |                         |
| from banks (Refer Note 15.1)                                     | 2,656.12                | 3,852.37                |
| from financial institutions (Refer Note 15.2)                    | 169.18                  | 627.46                  |
| <b>0.01% Optionally Convertible Debentures</b>                   |                         |                         |
| from banks (Refer Note 15.3.3)                                   | 52,858.17               | 52,855.37               |
| from financial institutions (Refer Note 15.3.3 (d))              | 1,677.00                | 1,681.83                |
| <b>Deferred payment credits (Refer Note 15.4)</b>                |                         |                         |
| from others  | 70.35                   | -                       |
| <b>Unsecured</b>   |                         |                         |
| <b>Term loans</b>  |                         |                         |
| from related parties (Refer Note 15.5)                           | 8,149.27                | 11,665.38               |
| from Body Corporate (Refer Note 15.6)                            | 700.00                  | 700.00                  |
| <b>Current maturities of Long term Borrowings</b>                | 1,980.57                | 1,646.31                |
| Less: Amount clubbed under "Other Current Financial Liabilities" | (1,980.57)              | (1,646.31)              |
| <b>Aggregate Borrowings</b>                                      | <b>66,280.09</b>        | <b>71,382.41</b>        |

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

- Term loan of ₹31.25 lakhs (P.Y. ₹39 lakhs) from Yes Bank carries interest @ 11.75 % p.a. (YBL +1.50% p.a.) and is repayable in 5 quarterly instalments of ₹7.75 lakhs each along with interest thereon starting from February 2019 and ending by February 2020. The said loan is secured by way of Subservient charge on all movable fixed assets and current assets (both present and future) of the Company. Further, loan is backed by the personal guarantee of the Chairman of the Company and pledge of shares of the Company by the promoters/associates.

## **Notes to Financial Statements** as at and for the year ended March 31, 2019

### NOTE 15 : BORROWINGS (CONTD..)

- b. Corporate Loan of ₹3,999.41 lakhs (P.Y. ₹4,983.47 lakhs) from Consortium Member-Banks carries interest ranging from @ 12.65% p.a. to 14.45% 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 worth ₹5,000 lakhs. The value of that shares immovable properties as mentioned above to be atleast 50% of the outstanding corporate loan. In addition, these loans are also secured by Personal Guarantee of two property owners to the extent of the value of the mortgaged properties as well as Personal Guarantees of the Promoters of the Company.
- c. As at the year ended March 31, 2019, the Company has defaulted in repayment of dues upto 90 days amounting to ₹193.64 lakhs and ₹10.89 lakhs in respect of banks and financial institutions.

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

Term Loan of ₹606.68 lakhs (P.Y. ₹1029.40 lakhs) from a Financial Institution carries interest @ 13.00% 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 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 Guarantee of Main Promoters, Corporate Guarantee & PDCs given by one of group entities.

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

In terms of the Scheme for Sustainable Structuring of Stressed Assets ("SPML S4A Scheme") as approved by the Super Majority of the Lender Banks with Reference Date as 22nd March, 2017 which was further agreed and approved by the Overseeing Committee (constituted under the aegis of the RBI) on 6th October, 2017 and by the Shareholders of the Company at their meeting held on 20th November, 2017, the entire crystallized fund-based debts of the Company had been bifurcated into "Part A" i.e. sustainable part of debt to be serviced as per existing terms and conditions of those debts and "Part B" i.e. non-sustainable part of debt, which has been adjusted against by virtue of transfer of 78,59,575 Equity Shares as held by Promoters and Promoters group in the company to the extent of the principal of Proportionate loss sharing by Lenders in favour of the lender banks to entitle them to hold 21.44% stake in the company & balance of Part B debt converted into unlisted, unrated, redeemable 54,53,517 Optionally Convertible Debentures (OCDs) of ₹1000 each (carrying coupon rate @0.01 % p.a. with an YTM @8.15% p.a.) in favour of the lender Banks based on their subscription to the OCDs.

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

In the instant arrangement, 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. Further the quantum of the recompense amount would be ascertained/determined by the Steering Committee of Lenders within a period of one Month from the Final Redemption Date. However, the same is adjustable with the Upside Gain in the event the Member Banks decide to sell the shares transferred/sold by Promoters to Lenders pursuant to the SPML S4A Scheme at any time prior to the final settlement date.

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

The Company had allotted Unlisted, Unrated, Redeemable, Optionally Convertible Debentures (OCDs) of the ₹1000/- 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. OCDs issued under Series A, B, C & H 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) on (i) Hypothecation of Stocks and Book Debts of the Company, both present and future and all other current

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 15 : BORROWINGS (CONTD..)

assets and non-current receivable (ii) Hypothecation of Plant and Machinery, Furniture & Fixtures and office equipment (iii) Lien on Fixed Deposit having issue value of ₹38 Lakhs in favour of Lead Bank. These loans are additionally secured by the Personal Guarantee of three Promoter Directors of the 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.

- b. OCDs issued under Series D are secured by way of exclusive charge in favour of Yes Bank Ltd. on Pledge of shares of the Company held by Promoters/ Associates as well as subservient charge on moveable fixed assets and all current assets of the Company, both present and future. Further, these OCDs are also backed by Personal Guarantee of one Promoter of the Company
- c. 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. The value of the shares & immovable properties as mentioned above to be atleast 50% of the outstanding corporate loan. (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.
- d. 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 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
- e. OCDs issued under Series G are secured by way of exclusive charge in favour of ICICI Bank Ltd. on the Immovable Property of the company situated in Gurugram.
- f. OCDS carry Coupon Rate of 0.01% p.a. to be paid in the first instance from November 1, 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.

**15.4.** Deferred payment credits from financial companies is secured against hypothecation of vehicle purchased against such loans which are repayable in 48 equated monthly installments carrying compounding interest rate of 10.81% p.a.

**15.5** Loans from related parties carry interest @12- 14.5% and are repayable within a maximum period of 10 years.

**15.6** Loans from body corporates are repayable within a maximum period of 10 years

### NOTE 16 : TRADE PAYABLES

(at amortised cost)

| Particulars  | ₹ in Lakhs                 |                            |                            |                            |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
|  | Non-current                |                            | Current                    |                            |
|  | As at<br>March 31,<br>2019 | As at<br>March 31,<br>2018 | As at<br>March 31,<br>2019 | As at<br>March 31,<br>2018 |
| <b>Trade Payables :</b>  |                            |                            |                            |                            |
| i) Total outstanding dues of micro and small enterprises                       | -                          | -                          | 193.67                     | -                          |
| ii) Total outstanding dues of creditors other than micro and small enterprises | 12,120.39                  | 10,794.29                  | 65,568.99                  | 56,833.37                  |
| <b>Total Trade Payables</b>  | <b>12,120.39</b>           | <b>10,794.29</b>           | <b>65,762.66</b>           | <b>56,833.37</b>           |



## Notes to Financial Statements

as at and for the year ended March 31, 2019

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<br>March 31, 2019 | As at<br>March 31, 2018 |
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year  |                         |                         |
| Principal   | 19.51                   | -                       |
| Interest  | 174.16                  | -                       |
| 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 16.1.** Trade payables are non-interest bearing and are normally settled on 60-days terms.

**Note 16.2.** For terms and conditions with Related Parties (Refer Note 35)

### NOTE 17: OTHER NON-CURRENT FINANCIAL LIABILITIES

| ₹ in Lakhs                                  |                         |                         |
|---|-------------------------|-------------------------|
| Particulars                                 | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Advance from customers (including interest) | 5,248.30                | 4,812.75                |
| Financial Guarantee Obligation              | 724.82                  | 847.75                  |
|   | <b>5,973.12</b>         | <b>5,660.50</b>         |

### NOTE 18 : PROVISION

| ₹ in Lakhs                             |                            |                            |                            |                            |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
| Particulars                            | Non-current                |                            | Current                    |                            |
|  | As at<br>March 31,<br>2019 | As at<br>March 31,<br>2018 | As at<br>March 31,<br>2019 | As at<br>March 31,<br>2018 |
| <b>Provision for employee benefits</b> |                            |                            |                            |                            |
| Gratuity (Refer Note 31)               | 438.92                     | 604.97                     | 162.68                     | -                          |
| Compensated absences                   | -                          | -                          | 0.67                       | 107.68                     |
| <b>Total</b>                           | <b>438.92</b>              | <b>604.97</b>              | <b>163.35</b>              | <b>107.68</b>              |

## Notes to Financial Statements

as at and for the year ended March 31, 2019

### NOTE 19 : BORROWINGS

₹ in Lakhs

| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--|-------------------------|-------------------------|
| <b>Secured</b>   |                         |                         |
| From banks   |                         |                         |
| Cash Credit and demand loan facilities from bank (Refer Note 19.1) | 54,098.65               | 50,019.15               |
| <b>Unsecured</b>   |                         |                         |
| from related parties (Refer Note 19.2)                             | -                       | -                       |
| from bodies corporate (Refer Note 19.3)                            | 8,703.80                | 5,229.85                |
| <b>TOTAL</b>   | <b>62,802.45</b>        | <b>55,249.00</b>        |

**19.1** - Demand loan and working capital facilities 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 ₹38 lakhs in favour of lead banker as a pari passu first charge with other consortium banks along with exclusive charge in favour of the lead banker of fixed deposit amounting to ₹773 lakhs. 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 @ 11.70% to 15.75% p.a.

**19.2** - Loan from related parties is repayable on demand and carry interest @ Nil to 14.5%.

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

### NOTE 20 : OTHER CURRENT FINANCIAL LIABILITIES

₹ in Lakhs

| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--|-------------------------|-------------------------|
| Current maturities of long-term borrowings (Refer Note 15) | 1,980.57                | 1,646.31                |
| Interest accrued and due on borrowings                     | 48.05                   | -                       |
| Interest accrued and not due on borrowings                 | 5.63                    | 20.48                   |
| Unpaid dividend*   | 0.97                    | 0.97                    |
| Salaries and other employee benefit payable                | 1,268.03                | 1,104.66                |
| Advance from Customers                                     | 13,566.45               | 17,804.52               |
| Interest accrued on Advances from Customers                | 1,685.14                | 2,852.54                |
| <b>TOTAL</b>   | <b>18,554.84</b>        | <b>23,429.48</b>        |

\* there is no amount due and outstanding which is to be transferred to Investor Education & Protection Fund.

### NOTE 21 : OTHER CURRENT LIABILITIES

₹ in Lakhs

| Particulars            | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|------------------------|-------------------------|-------------------------|
| Statutory Dues payable | 1,697.06                | 1,373.71                |
| Other Liabilities      | 416.76                  | 404.25                  |
| <b>TOTAL</b>           | <b>2,113.82</b>         | <b>1,777.96</b>         |

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 22 : REVENUE FROM OPERATIONS

| Particulars   | ₹ in Lakhs                            |                                       |
|---|---------------------------------------|---------------------------------------|
|   | For the year ended<br>31st March 2019 | For the year ended<br>31st March 2018 |
| <b>Operating Revenue</b>                                  |                                       |                                       |
| - Construction/EPC contracts                              | 1,12,772.98                           | 1,08,290.47                           |
| - Operation and maintenance                               | 980.92                                | 493.01                                |
| - Sale of traded goods                                    | 27,163.56                             | 24,867.70                             |
| <b>Other operating revenue</b>                            |                                       |                                       |
| Interest Income as per arbitration awards (Refer Note 45) | 2,418.60                              | 1,941.37                              |
| <b>TOTAL</b>  | <b>1,43,336.06</b>                    | <b>1,35,592.55</b>                    |

**22.1** 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-agregation of revenue has been presented.

#### 22.2 Contract balances

| Particulars          | ₹ in Lakhs              |                        |
|----------------------|-------------------------|------------------------|
|                      | As at<br>March 31, 2019 | As at<br>April 1, 2018 |
| Trade receivables    | 60,973.28               | 65,878.91              |
| Contract assets      | 99,424.72               | 98,789.12              |
| Contract liabilities | 18,814.74               | 22,617.27              |

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, 2019 from April 01, 2018 is on account of changes in operations of the Company. Impairment loss recognized on trade receivables have been disclosed in note 6. 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:

| Particulars   | ₹ in Lakhs                            |  |
|---|---------------------------------------|--|
|   | For the year ended<br>31st March 2019 |  |
| <b>Balance at the beginning of the year</b>   | <b>98,789.12</b>                      |  |
| Add: Revenue recognised during the year   | 71,324.11                             |  |
| Less: Amount received against contracts and invoicing of unbilled revenue during the year | (55,385.07)                           |  |
| Less: Adjustment for Modified Retrospective Impact of Ind AS 115 as on 01.04.2018         | (15,303.43)                           |  |
| <b>Balance at the end of the year</b>   | <b>99,424.73</b>                      |  |

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 22 : REVENUE FROM OPERATIONS (CONTD..)

Changes in contract liabilities are as follows:

₹ in Lakhs

| Particulars  | For the year ended<br>31st March 2019 |
|--|---------------------------------------|
| <b>Balance at the beginning of the year</b>                          | <b>22,617.27</b>                      |
| Add: Amount Received against contract work commenced during the year | 4,198.02                              |
| Less: Revenue recognised during the year out of opening balance      | (8,000.55)                            |
| <b>Balance at the end of the year</b>                                | <b>18,814.74</b>                      |

### NOTE 23 : OTHER INCOME

₹ in Lakhs

| Particulars  | For the year ended<br>31st March 2019 | For the year ended<br>31st March 2018 |
|--|---------------------------------------|---------------------------------------|
| <b>Interest income on</b>                                  |                                       |                                       |
| Loans given to Related Parties                             | 1,637.53                              | 1,637.68                              |
| Bank deposits  | 814.12                                | 836.59                                |
| Income tax refund  | 878.09                                | 63.71                                 |
| Others   | 803.25                                | 664.47                                |
| <b>Other Non- Operating Income</b>                         |                                       |                                       |
| Sundry balances / liabilities written back (Refer Note 41) | 60.21                                 | 1,245.08                              |
| Profit on sale of investment (net)                         | 781.54                                | 973.30                                |
| Commission received  | 849.15                                | -                                     |
| Others   | 165.61                                | 157.73                                |
| <b>Total</b>   | <b>5,989.50</b>                       | <b>5,578.56</b>                       |

### NOTE 24 : MATERIALS CONSUMED & DIRECT EXPENSES

₹ in Lakhs

| Particulars   | For the year ended<br>31st March 2019 | For the year ended<br>31st March 2018 |
|---|---------------------------------------|---------------------------------------|
| <b>Construction materials and stores and spare consumed</b> |                                       |                                       |
| Inventory at the beginning of the year                      | 3,863.49                              | 3,926.17                              |
| Add: Purchases  | 58,035.34                             | 39,999.95                             |
|   | <b>61,898.83</b>                      | <b>43,926.12</b>                      |
| Less: Inventory at the end of the year                      | 5,381.09                              | 3,863.49                              |
|   | <b>56,517.74</b>                      | <b>40,062.63</b>                      |
| <b>Direct Expenses</b>                                      |                                       |                                       |
| Subcontractor charges                                       | 31,126.96                             | 36,049.31                             |
| Drawing and designing charges                               | 43.63                                 | 66.76                                 |
| Equipment hire and running charges                          | 268.41                                | 375.94                                |
| Other direct expenses                                       | 1,009.63                              | 2,592.23                              |
|   | <b>32,448.63</b>                      | <b>39,084.24</b>                      |
| <b>TOTAL</b>  | <b>88,966.37</b>                      | <b>79,146.87</b>                      |

### NOTE 25 : EMPLOYEE BENEFIT EXPENSES

₹ in Lakhs

| Particulars                                | For the year ended<br>31st March 2019 | For the year ended<br>31st March 2018 |
|--|---------------------------------------|---------------------------------------|
| Salaries, Wages and Bonus                  | 4,400.43                              | 4,296.89                              |
| Contribution to Provident and Others Funds | 259.26                                | 299.79                                |
| Gratuity expense                           | 109.17                                | 108.74                                |
| Staff Welfare Expenses                     | 108.30                                | 85.98                                 |
| <b>TOTAL</b>                               | <b>4,877.16</b>                       | <b>4,791.39</b>                       |

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 26 : FINANCE COSTS

| ₹ in Lakhs  |                                       |                                       |
|---|---------------------------------------|---------------------------------------|
| Particulars   | For the year ended<br>31st March 2019 | For the year ended<br>31st March 2018 |
| Interest (including interest on mobilisation advance amounting to ₹1,033.04 lakhs (P.Y.-₹1,437.50 lakhs)) | 11,446.01                             | 16,662.63                             |
| Other borrowing costs   | 3,806.34                              | 2,894.49                              |
| <b>Total</b>  | <b>15,252.35</b>                      | <b>19,557.12</b>                      |

### NOTE 27 : OTHER EXPENSES

| ₹ in Lakhs                                      |                                       |                                       |
|---|---------------------------------------|---------------------------------------|
| Particulars                                     | For the year ended<br>31st March 2019 | For the year ended<br>31st March 2018 |
| Rent (Refer Note 32)                            | 497.36                                | 508.79                                |
| Rates and taxes                                 | 46.39                                 | 98.20                                 |
| Repairs and maintenance:                        |                                       |                                       |
| Building Repair & Maintenance                   | 16.41                                 | 27.09                                 |
| Plant and machinery Repair & Maintenance        | 100.81                                | 81.85                                 |
| Others Repair & Maintenance                     | 26.07                                 | 26.86                                 |
| Insurance                                       | 232.12                                | 315.43                                |
| Professional charges and consultancy fees       | 1,810.65                              | 1,912.99                              |
| Vehicle running charges                         | 340.58                                | 436.83                                |
| Travelling and conveyance                       | 537.78                                | 624.44                                |
| Security Charges                                | 235.62                                | 276.37                                |
| Communication expenses                          | 62.96                                 | 66.24                                 |
| Power and fuel                                  | 118.05                                | 159.03                                |
| Printing & Stationery Expenses                  | 35.17                                 | 45.75                                 |
| Charity and donations                           | 24.37                                 | 4.69                                  |
| Auditor's remuneration (refer note 27.1)        | 33.63                                 | 44.76                                 |
| Provision for diminution in value of investment | -                                     | 16.24                                 |
| Bad debts / sundry balances written off         | 1,320.66                              | 1,520.67                              |
| Miscellaneous expenses                          | 569.50                                | 438.50                                |
| Provision on Trade Receivables                  | 430.35                                | 1,023.18                              |
| <b>Total</b>                                    | <b>6,438.48</b>                       | <b>7,627.91</b>                       |

#### Note 27.1: Payment to Auditors

| ₹ in Lakhs                            |                                       |                                       |
|---------------------------------------|---------------------------------------|---------------------------------------|
| Particulars                           | For the year ended<br>31st March 2019 | For the year ended<br>31st March 2018 |
| As Auditors                           |                                       |                                       |
| - Audit fees                          | 17.00                                 | 23.51                                 |
| - Tax Audit fees                      | 4.50                                  | 7.00                                  |
| - Limited review                      | 10.50                                 | 10.38                                 |
| - Reimbursement of expenses           | 0.18                                  | 1.10                                  |
| In other capacity:                    |                                       |                                       |
| - Other services (certification fees) | 1.45                                  | 2.77                                  |
| <b>Total</b>                          | <b>33.63</b>                          | <b>44.76</b>                          |

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 28: DEPRECIATION

| Particulars                       | ₹ in Lakhs                            |                                       |
|-----------------------------------|---------------------------------------|---------------------------------------|
|                                   | For the year ended<br>31st March 2019 | For the year ended<br>31st March 2018 |
| Depreciation on Tangible assets   | 371.70                                | 763.24                                |
| Amortisation of Intangible Assets | 0.27                                  | 2.32                                  |
| <b>Total</b>                      | <b>371.97</b>                         | <b>765.56</b>                         |

### NOTE 29: CONTINGENT LIABILITIES AND COMMITMENTS

| Particulars  | (₹ in Lakhs)            |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| <b>A. Contingent Liabilities</b>   |                         |                         |
| i Claims against Companies not acknowledged as debt  | 924.92                  | 1,026.82                |
| ii Claims towards liquidated damages not acknowledged as debts by the Company<br>(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) | 13,825.58               | 14,061.10               |
| iii Disputed Demands   |                         |                         |
| (a) Income tax   | -                       | 1,144.63                |
| (b) Excise/ Service tax*   | 23.13                   | 23.13                   |
| (c) Sales tax/ VAT*  | 2,707.91                | 3,734.58                |
| iv Performance bank guarantees, given on behalf of subsidiaries and joint ventures   | 4,301.96                | 5,597.99                |
| v Corporate Guarantees given to banks for financial assistance extended to subsidiaries and other body corporates  | 30,757.60               | 37,422.86               |
| <b>B. Commitments</b>  |                         |                         |
| i Capital Commitments (Net of Advances)  | 48.65                   | 48.65                   |

\*In respect of above cases, based on favourable decisions in similar cases/legal opinions taken by the Company /discussions with the solicitors etc., the management is of the opinion that it is possible, but not probable, that the action will succeed and accordingly no provision for liability has been made in the standalone financial statements.

### Note 30 The disaggregation of changes to OCI by each type of reserves in equity is shown below:

#### During the year ended 31st March, 2019

| Particulars  | ₹ in Lakhs      |  |
|--|-----------------|--|
|  | OCI             |  |
| <b>Opening Balance</b>                                 | <b>145.00</b>   |  |
| Fair valuation Loss on Investments at FVOCI            | (490.97)        |  |
| Re measurement gains/ (losses) on Defined Benefit Plan | 53.50           |  |
| <b>Closing Balance</b>                                 | <b>(292.47)</b> |  |

#### During the year ended 31st March, 2018

| Particulars  | ₹ in Lakhs    |  |
|--|---------------|--|
|  | OCI           |  |
| <b>Opening Balance</b>                                 | <b>70.36</b>  |  |
| Fair valuation Gain on Investments at FVOCI            | 47.61         |  |
| Re measurement gains/ (losses) on Defined Benefit Plan | 27.02         |  |
| <b>Closing Balance</b>                                 | <b>145.00</b> |  |



## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 31 EMPLOYEE BENEFITS

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

| Particulars                    | ₹ in Lakhs                            |                                       |
|--------------------------------|---------------------------------------|---------------------------------------|
|                                | For the year ended<br>31st March 2019 | For the year ended<br>31st March 2018 |
| Provident Fund and other Funds | 259.26                                | 299.79                                |

#### (b) Defined Benefit Plan

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

| Particulars   | ₹ in Lakhs              |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| <b>Changes in Defined Benefit Obligation:</b>                                   |                         |                         |
| <b>Present value of defined benefit obligation at the beginning of the year</b> | <b>563.65</b>           | <b>510.39</b>           |
| Current Service Cost  | 92.67                   | 69.73                   |
| Interest Cost   | 42.80                   | 39.01                   |
| <b>Re measurements (gains)/losses</b>   |                         |                         |
| Actuarial (gains)/losses arising from changes in demographic assumptions        | -                       | -                       |
| Actuarial (gains)/losses arising from changes in financial assumptions          | 6.32                    | (3.72)                  |
| Actuarial (gains)/losses arising from changes in experience adjustments         | (88.13)                 | (37.60)                 |
| Benefits paid   | (15.70)                 | (14.16)                 |
| <b>Present value of defined benefit obligation at the end of the year</b>       | <b>601.60</b>           | <b>563.65</b>           |

| Particulars   | ₹ in Lakhs                            |                                       |
|---|---------------------------------------|---------------------------------------|
|   | For the year ended<br>31st March 2019 | For the year ended<br>31st March 2018 |
| <b>Expenses Recognized in the Statement of Profit and Loss</b>                              |                                       |                                       |
| Interest Cost   | 42.80                                 | 39.01                                 |
| Current Service Cost  | 92.67                                 | 69.73                                 |
| <b>Total</b>  | <b>135.47</b>                         | <b>108.74</b>                         |
| <b>Expenses recognised in other comprehensive income</b>                                    |                                       |                                       |
| Actuarial (gains)/losses arising from changes in financial assumptions                      | 6.32                                  | (3.72)                                |
| Actuarial (gains)/losses arising from changes in experience adjustments on plan liabilities | (88.13)                               | (37.60)                               |
| Total Actuarial (Gains)/ losses recognized in other comprehensive income                    | (81.81)                               | (41.32)                               |

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 31 EMPLOYEE BENEFITS (CONTD..)

The Principal actuarial assumption used:

| Particulars                 | For the year ended<br>31st March 2019                   | For the year ended<br>31st March 2018                   |
|-----------------------------|---|---|
| Discount Rate               | 7.70%   | 7.75%   |
| Salary Growth Rate          | 6.00%   | 6.00%   |
| Mortality Rate              | Indian assured lives<br>mortality (2006-08)<br>modified | Indian assured lives<br>mortality (2006-08)<br>modified |
| 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.

#### Current and Non Current Classification

| Particulars     | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|-----------------|-------------------------|-------------------------|
| <b>Gratuity</b> |                         |                         |
| Current         | 162.68                  | -                       |
| Non Current     | 438.92                  | 563.65                  |

₹ in Lakhs

#### 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.

#### Sensitivity Analysis for significant assumptions for the year ended 31st March, 2019 are as follows:

| Assumptions                        | Discount Rate |             |
|------------------------------------|---------------|-------------|
| Sensitivity Level                  | 1% increase   | 1% decrease |
| Impact on Defined Benefit Plan (₹) | 542.36        | 612.56      |

₹ in Lakhs

| Assumptions                        | Future Salary increase |             |
|------------------------------------|------------------------|-------------|
| Sensitivity Level                  | 1% increase            | 1% decrease |
| Impact on Defined Benefit Plan (₹) | 609.45                 | 544.89      |

₹ in Lakhs

| Assumptions                        | Withdrawal Rate |             |
|------------------------------------|-----------------|-------------|
| Sensitivity Level                  | 1% increase     | 1% decrease |
| Impact on Defined Benefit Plan (₹) | 578.68          | 571.39      |

₹ in Lakhs

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 31 EMPLOYEE BENEFITS (CONTD..)

Sensitivity Analysis for significant assumptions for the year ended 31st March, 2018 are as follows:

| ₹ in Lakhs                         |               |             |
|------------------------------------|---------------|-------------|
| Assumptions                        | Discount Rate |             |
| Sensitivity Level                  | 1% increase   | 1% decrease |
| Impact on Defined Benefit Plan (₹) | 529.30        | 602.59      |

| ₹ in Lakhs                         |                        |             |
|------------------------------------|------------------------|-------------|
| Assumptions                        | Future Salary increase |             |
| Sensitivity Level                  | 1% increase            | 1% decrease |
| Impact on Defined Benefit Plan (₹) | 598.62                 | 532.52      |

| ₹ in Lakhs                         |                 |             |
|------------------------------------|-----------------|-------------|
| Assumptions                        | Withdrawal Rate |             |
| Sensitivity Level                  | 1% increase     | 1% decrease |
| Impact on Defined Benefit Plan (₹) | 567.80          | 558.88      |

The Weighted Average duration of the defined benefit obligation as at 31st March 2019 is 58 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 fall 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.

### NOTE 32 LEASES

#### Operating lease — Company as lessee

The Company's leasing arrangement are in the nature of cancellable operating leases. The Company has taken various offices etc. on Operating Leases, which is renewable by mutual consent of concerned parties. No contingent rent is payable by the Company in respect of the above leases. There are no Price escalation clause in the Rent agreements. Related lease rentals have been disclosed under the head "Rent" in Note 27 of Statement of Profit and Loss. There are no restrictions placed upon the Company by such leases.

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 33 IND AS 115 REVENUE FROM CONTRACTS WITH CUSTOMERS

**Note 33.1** The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" based on modified retrospective approach effective from April 1, 2018 whose impact is shown in the table below:

| Particulars                        | ₹ in Lakhs              |
|------------------------------------|-------------------------|
|                                    | Increase/<br>(Decrease) |
| Deferred Tax Assets (Net)          | 5,368.34                |
| Contract asset                     | (15,511.86)             |
| <b>Total adjustments to Equity</b> | <b>(10,143.52)</b>      |

### Note 33.2

Set out below, are the amounts by which each financial statement line item is affected as at and for the year ended 31 March 2019 as a result of the adoption of Ind AS 115. The first column shows amounts prepared under Ind AS 115 and the second column shows what the amounts would have been had Ind AS 115 not been adopted:

#### Statement of profit and loss for the year ended 31 March 2019

| Particulars  | 2018-19     |                 | ₹ in Lakhs              |
|--|-------------|-----------------|-------------------------|
|  | Ind AS 115  | Previous Ind AS | Increase/<br>(Decrease) |
|  |             |                 |                         |
| Revenue from contracts with customers                | 1,40,917.46 | 1,40,709.03     | 208.43                  |
| Profit before tax                                    | 6,733.74    | 6,525.31        | 208.43                  |
| Profit after tax as per statement of profit and loss | 4,961.83    | 4,799.07        | 162.76                  |
| Earnings per share of face value of ₹2 each.         | 13.54       | 13.09           | 0.44                    |
| Basic and Diluted - ₹                                |             |                 |                         |

### Note 33.3

#### Balance sheet as at 31 March 2019

| Particulars               | March 31, 2019 |                 | ₹ in Lakhs              |
|---------------------------|----------------|-----------------|-------------------------|
|                           | Ind AS 115     | Previous Ind AS | Increase/<br>(Decrease) |
|                           |                |                 |                         |
| Deferred Tax Assets (Net) | 11,098.51      | 5,730.17        | 5,368.34                |
| Contract assets           | 99,424.72      | 1,14,728.15     | (15,303.43)             |

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

#### List of Related Parties

#### I. Parent and Subsidiary Companies:

| Name of related parties                  | Nature of relationship | % of Holding |
|--|------------------------|--------------|
| Subhash Kabini Power Corporation Limited | Subsidiary             | 44.72        |
| SPML Energy Limited                      | Subsidiary             | 58.07        |
| SPML Infrastructure Limited              | Subsidiary             | 99.99        |
| SPM Holding Pte. Limited                 | Subsidiary             | 44.72        |
| Binwa Power Corporation Private Ltd      | Subsidiary             | 50.79        |
| Awa Power Company Private Limited        | Subsidiary             | 21.90        |
| IQU Power Company Private Ltd            | Subsidiary             | 23.09        |
| Neogal Power Company Private Ltd         | Subsidiary             | 15.20        |
| Luni Power Company Private Limited       | Subsidiary             | 43.62        |

## **Notes to Financial Statements** as at and for the year ended March 31, 2019

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

| Name of related parties                                 | Nature of relationship | % of Holding |
|---|------------------------|--------------|
| Delhi Waste Management Ltd                              | Subsidiary             | 49.39        |
| Add Energy Management Co. Private Limited               | Subsidiary             | 44.72        |
| Add Technologies (India) Limited                        | Subsidiary             | 43.38        |
| Madurai Municipal Waste Processing Co. Private. Limited | Subsidiary             | 92.33        |
| SPML Utilities Limited                                  | Subsidiary             | 100.00       |
| Allahabad Waste Processing Co. Limited                  | Subsidiary             | 95.02        |
| Mathura Nagar Waste Processing Co. Limited              | Subsidiary             | 90.25        |
| PT Sanmati Natural Resources                            | Subsidiary             | 44.27        |
| Mizoram Infrastructure Development Co. Limited          | Subsidiary             | 68.99        |
| SPML Infra Developers Limited                           | Subsidiary             | 100.00       |
| Bhagalpur Electricity Distribution Com P Ltd            | Subsidiary             | 99.99        |
| Doon Valley Waste Management Private Limited            | Subsidiary             | 87.49        |
| SJA Developers Private Limited                          | Subsidiary             | 42.36        |
| Subhash Urja Private Limited                            | Subsidiary             | 100.00       |
| SPMLIL-AMRUTHA CONSTRUCTIONS PVT LTD                    | Subsidiary             | 50.99        |
| Delhi Waste Management Najafgarh Pvt Ltd                | Subsidiary             | 25.19        |

#### II. Joint Operations of the Company

| Name of related parties                           | Nature of relationship | % of Holding |
|---|------------------------|--------------|
| SPML-CISC JV                                      | Joint Operation        | 50.00        |
| SPML - Simplex JV                                 | Joint Operation        | 50.00        |
| SPML-HCIL JV                                      | Joint Operation        | 100.00       |
| OM Metals Consortium JV                           | Joint Operation        | -            |
| Siddharth- Mahaveer SPML -JV                      | Joint Operation        | 10.00        |
| SPML - OM Metals JV                               | Joint Operation        | 50.00        |
| M&P+Subhash JV                                    | Joint Operation        | 40.00        |
| Suez Environment France & SPML Infra Ltd India JV | Joint Operation        | 48.00        |
| JWIL SPML JV                                      | Joint Operation        | 30.00        |

#### III. Joint Ventures of the Company

| Name of related parties                      | Nature of relationship | % of Holding |
|--|------------------------|--------------|
| Malviya Nagar Water Services Private Limited | Joint Venture          | 26.00        |
| MVV Water Utility Private Limited            | Joint Venture          | 47.99        |
| Gurha Thermal Power Co. Ltd                  | Joint Venture          | 50.00        |
| Aurangabad City Water Utility Co. Limited    | Joint Venture          | 40.01        |
| Hydro Comp Enterprises (India) Limited       | Joint Venture          | 50.00        |

#### IV. Associates of the Company

| Name of related parties                       | Nature of relationship | % of Holding |
|---|------------------------|--------------|
| SPML Bhiwandi Water Supply Infra Limited      | Associates             | 44.94        |
| SPML Bhiwandi Water Supply Management Limited | Associates             | 49.94        |
| Bhilwara Jaipur Toll Road Private Limited     | Associates             | 51.00        |
| PT Bina Insan Sukses Mandiri                  | Associates             | 20.00        |
| PT Vardhaman Mining Services                  | Associates             | 20.09        |
| PT Vardhaman Logistics                        | Associates             | 12.09        |
| Rabaan (S) Pte Limited                        | Associates             | 20.00        |
| Sanmati Infra Developers (p) Ltd.             | Associates             | 25.00        |

## **Notes to Financial Statements** as at and for the year ended March 31, 2019

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

#### V. Key Management Personnel

| Name of related parties     | Nature of relationship  |
|-----------------------------|-------------------------|
| Mr. Subhash Chand Sethi     | Chairman                |
| Mr. Sushil Kumar Sethi      | Managing Director       |
| Mr. Sujit Kumar Jhunjunwala | Chief Financial Officer |
| Mr. Abhay Raj Singh         | Company Secretary       |

#### VI. Relatives of Key Management Personnel

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

#### VII. Entities where Key Management Personnel & their relatives have significant influence

##### Name of related parties

Arihant Leasing & Holding Co. Limited  
 Rishabh Homes Private Limited  
 Subhash Systems Private Limited  
 International Construction Limited  
 SPM Engineers Limited  
 Zoom Industrial Services Limited  
 20th Century Engineering Limited  
 SPML India Limited  
 ADD Realty Limited  
 Sanmati Power Company Private Limited  
 Add Eco Enviro Limited  
 Meena Holdings Limited  
 Pondicherry Special Economic Zone Company Limited  
 Bharat Hydro Power Corporation Limited  
 Om Metal-SPML Infra Project Private Limited



## **Notes to Financial Statements** as at and for the year ended March 31, 2019

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

Peacock Pearl Business Solution Pvt Ltd  
 Sethi Infratech Private Limited  
 Acropolis Properties Pvt Ltd  
 Nirai Enterprises Pvt Ltd  
 JWIL Infra Limited  
 SPML Industries Limited  
 ADD Industrial Park (TN) Limited  
 DWMG Software Private Limited  
 Latur Water Supply Management Company Limited  
 Meena ADD Charity Initiative Foundation  
 Pondicherry Port Limited  
 POM POM Recycling Private Limited  
 Sanmati Corporate Investments Private Limited  
 VidyaEdutech Private Limited  
 Amrutha Constructions Private Limited

#### Notes:

Related party relationships as mentioned in the above list are determined by the management based on nature of 'control' that the company exercises over the other companies.

Two of the above mentioned subsidiaries namely SPMLIL- Amrutha Constructions Private Limited and Delhi Waste Management Najafgarh Private Limited have been incorporated on 01th April 2018 and 21st Sept 2018 respectively.

Two associates namely Aurangabad Jal Supply Solution Private Limited and Aurangabad Jal Construction Private Limited ceased to be associates w.e.f. 11th July 2018 on account of sale of investment.

### Note 35:

#### A. During the year the following transactions were carried out with the related parties in the ordinary course of business:

|                 |  | ₹ in Lakhs                   |                              |
|-----------------|--|------------------------------|------------------------------|
| Transaction     | Related Party  | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
| Sale of Goods   | <b>Subsidiary companies</b>  |                              |                              |
|                 | Subhash Kabini Power Corporation Limited   | 97.66                        | -                            |
|                 | <b>Joint Operations</b>  |                              |                              |
|                 | SUEZ -SPML JV  | 1,660.53                     | 1,625.39                     |
|                 | <b>Entities where significant influence is exercised by KMP and / or relatives</b> |                              |                              |
| Interest Income | JWIL Infra Limited   | 3,063.73                     | -                            |
|                 | Meena Holdings Limited   | -                            | 16.10                        |
|                 | <b>Subsidiary companies</b>  |                              |                              |
|                 | Awa Power Company Private Limited  | 125.00                       | 99.06                        |

# Notes to Financial Statements

as at and for the year ended March 31, 2019

## NOTE 35: (CONTD..)

|                   |  | ₹ in Lakhs                   |                              |
|-------------------|--|------------------------------|------------------------------|
| Transaction       | Related Party  | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
| Interest Expenses | Binwa Power Corporation Private Limited  | 5.47                         | -                            |
|                   | IQU Power Company Private Limited  | 110.49                       | 93.22                        |
|                   | Luni Power Company Private Limited   | 49.34                        | 44.35                        |
|                   | Neogal Power Company Private Limited   | 82.74                        | 74.37                        |
|                   | SPML Energy Limited  | 28.59                        | 25.69                        |
|                   | SPML Infrastrucurte Limited  | 91.95                        | 193.25                       |
|                   | Allahabad Waste Processing Company Limited   | 3.09                         | -                            |
|                   | Doon Valley Waste Management Private Limited                                       | 3.73                         | 3.36                         |
|                   | Bhagalpur Electricity Distribution Com Private Limited                             | 504.02                       | 441.14                       |
|                   | Subhash Kabini Power Corporation Limited   | 137.16                       | 102.14                       |
|                   | <b>Associate companies</b>   |                              |                              |
|                   | SPML Bhiwandi Water Supply Management Limited                                      | 4.91                         | 4.32                         |
|                   | SPML Bhiwandi Water Supply Infra Limited   | 109.68                       | 98.49                        |
|                   | <b>Joint ventures</b>  |                              |                              |
|                   | Gurha Thermal Power Co Limited   | 133.79                       | 120.26                       |
|                   | MVV Water Utility Pvt Ltd.   | 2.57                         | 2.57                         |
|                   | <b>Entities where significant influence is exercised by KMP and / or relatives</b> |                              |                              |
|                   | 20th Century Engineering Limited   | 0.01                         | -                            |
|                   | Bharat Hydro Power Corporation Limited   | 7.76                         | -                            |
|                   | International Construction Limited   | -                            | 45.17                        |
|                   | <b>Subsidiary companies</b>  |                              |                              |
|                   | SPML Infrastructure Limited  | -                            | 92.44                        |
|                   | Mathura Nagar Waste Processing Company Private Limited                             | 54.53                        | 52.24                        |
|                   | Delhi Waste Management Limited   | 360.59                       | 337.07                       |
|                   | <b>Key managerial personnel (KMP)</b>  |                              |                              |
|                   | Mr. Sushil Kumar Sethi   | 15.48                        | 12.50                        |
|                   | <b>Entities where significant influence is exercised by KMP and / or relatives</b> |                              |                              |
|                   | Add Eco Enviro Limited   | 0.95                         | 1.35                         |
|                   | Pondicherry Special Economic Zone Company Limited                                  | 96.15                        | 95.22                        |
|                   | Meena Holdings Limited   | 0.29                         | -                            |
|                   | 20th Century Engineering Limited   | 0.00                         | 0.00                         |
|                   | SPML India Limited   | 101.94                       | 93.08                        |
|                   | Subhash Systems Private Limited  | 26.31                        | -                            |
|                   | Zoom Industrial Services Limited   | 77.28                        | 172.11                       |
|                   | Niral Enterprises Pvt Ltd  | 147.35                       | 136.63                       |
|                   | Sethi Infratech Private Limited  | 0.01                         | 0.01                         |
|                   | SPML Industries Limited  | 193.28                       | 141.13                       |
|                   | SPM Engineers Limited  | 3.84                         | 89.22                        |
|                   | Bharat Hydro Power Corporation Limited   | 18.67                        | 233.44                       |
| Purchase of Goods | <b>Subsidiary companies</b>  |                              |                              |
|                   | Add Energy Management co. Private Limited  | -                            | 5.90                         |
|                   | Add Technologies (India) Limited   | 12.28                        | 52.17                        |

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 35: (CONTD..)

₹ in Lakhs

| Transaction               | Related Party  | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
|---------------------------|--|------------------------------|------------------------------|
|                           | <b>Entities where significant influence is exercised by KMP and / or relatives</b> |                              |                              |
| Rent Expenses             | International Construction Limited   | -                            | 14.75                        |
|                           | <b>Relative of KMP</b>   |                              |                              |
|                           | Mrs. Preeti Devi sethi   | 12.00                        | 14.16                        |
|                           | <b>Entities where significant influence is exercised by KMP and / or relatives</b> |                              |                              |
|                           | Arihant Leasing & Holding Company Limited  | 6.00                         | 6.00                         |
| Loan/Advance Given/Repaid | Subhash Systems Private Limited  | -                            | 15.63                        |
|                           | <b>Subsidiary companies</b>  |                              |                              |
|                           | Awa Power Company Private Limited  | 17.00                        | 175.00                       |
|                           | Binwa Power Corporation Private Limited  | 50.45                        | -                            |
|                           | IQU Power Company Private Limited  | 17.00                        | 75.00                        |
|                           | Luni Power Company Private Limited   | -                            | 0.02                         |
|                           | SPML Infrastructure Limited  | 32.32                        | 43.06                        |
|                           | Subhash Urja Private Limited   | -                            | 0.01                         |
|                           | SPML Utilities Limited   | 3.25                         | 0.88                         |
|                           | Mathura Nagar Waste Processing Company Private Limited                             | 17.79                        | 11.73                        |
|                           | Delhi Waste Management Limited   | 336.75                       | 73.51                        |
|                           | Doon Valley Waste Management Private Limited                                       | 0.75                         | -                            |
|                           | Bhagalpur Electricity Distribution Company Private Limited                         | 1,370.34                     | 1,047.95                     |
|                           | Subhash Kabini Power Corporation Limited   | 840.61                       | 341.00                       |
|                           | <b>Associate companies</b>   |                              |                              |
|                           | SPML Bhiwandi Water Supply Management Limited                                      | 1.58                         | 0.01                         |
|                           | SPML Bhiwandi Water Supply Infra Limited   | 1.58                         | 0.01                         |
|                           | <b>Joint ventures</b>  |                              |                              |
|                           | MVV Water Utility Pvt Ltd.   | 97.95                        | 54.65                        |
|                           | Hydro-Comp Enterprises (India) Private Limited                                     | 0.19                         | 0.31                         |
|                           | <b>Joint Operations</b>  |                              |                              |
|                           | SPML - Om Metal JV   | 0.75                         | 88.96                        |
|                           | <b>Key managerial personnel (KMP)</b>  |                              |                              |
|                           | Mr. Sushil Kumar Sethi   | 207.09                       | 0.40                         |
|                           | Mr. Subhash Chand Sethi  | 19.50                        | 19.50                        |
|                           | <b>Relative of KMP</b>   |                              |                              |
|                           | Mr. Abhinandan Sethi   | -                            | 8.07                         |
|                           | <b>Entities where significant influence is exercised by KMP and / or relatives</b> |                              |                              |
|                           | Pondicherry Special Economic Zone Company Limited                                  | 35.00                        | 36.50                        |
|                           | Meena Holdings Limited   | 32.77                        | -                            |
|                           | Add Eco Enviro Limited   | 10.97                        | -                            |
|                           | Add Realty Ltd.  | 12.47                        | -                            |
|                           | Arihant Leasing & Holding Company Limited  | 33.80                        | -                            |

# Notes to Financial Statements

as at and for the year ended March 31, 2019

## NOTE 35: (CONTD..)

|                              |  | ₹ in Lakhs                   |                              |
|------------------------------|--|------------------------------|------------------------------|
| Transaction                  | Related Party  | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
| Loan/Advance<br>Taken/Repaid | Rishabh Homes Private Limited  | -                            | -                            |
|                              | SPML India Limited   | 420.25                       | 100.00                       |
|                              | Subhash Systems Private Limited  | 17.96                        | -                            |
|                              | 20th Century Engineering Limited   | 0.18                         | -                            |
|                              | Zoom Industrial Services Limited   | 1,630.52                     | 26.61                        |
|                              | Niral Enterprises Pvt Ltd  | 26.66                        | 23.70                        |
|                              | Sethi Infratech Private Limited  | -                            | 0.04                         |
|                              | Peacock Pearl Business Solution Pvt Ltd  | -                            | 0.02                         |
|                              | SPML Industries Limited  | 852.21                       | 32.53                        |
|                              | International Construction Limited   | 6.75                         | 24.05                        |
|                              | SPM Engineers Limited  | 3.20                         | 12.00                        |
|                              | Bharat Hydro Power Corporation Limited   | 607.70                       | -                            |
|                              | <b>Subsidiary companies</b>  |                              |                              |
|                              | Awa Power Company Private Limited  | 2.00                         | -                            |
|                              | Binwa Power Corporation Private Limited  | 6.11                         | 22.50                        |
|                              | SPML Infrastructure Limited  | 193.50                       | 12.50                        |
|                              | SPML Infraprojects Limited   | -                            | 1.41                         |
|                              | Delhi Waste Management Limited   | 180.00                       | 49.06                        |
|                              | Mathura Nagar Waste Processing Company Private Limited                             | 2.76                         | -                            |
|                              | Bhagalpur Electricity Distribution Com Private Limited                             | 82.96                        | 401.68                       |
|                              | Subhash Kabini Power Corporation Limited   | 499.77                       | 428.50                       |
|                              | Mizoram Infrastructure Development Company Limited                                 | -                            | 0.01                         |
|                              | <b>Joint ventures</b>  |                              |                              |
|                              | MVV Water Utility Pvt Ltd.   | 56.83                        | 31.15                        |
|                              | <b>Joint Operations</b>  |                              |                              |
|                              | SPML - Om Metal JV   | 3.98                         | 76.41                        |
|                              | <b>Key managerial personnel (KMP)</b>  |                              |                              |
|                              | Mr. Sushil Kumar Sethi   | 95.85                        | -                            |
|                              | Mr. Subhash Chand Sethi  | 9.00                         | 19.50                        |
|                              | <b>Relative of KMP</b>   |                              |                              |
|                              | Mr. Abhinandan Sethi   | -                            | 8.07                         |
|                              | <b>Entities where significant influence is exercised by KMP and / or relatives</b> |                              |                              |
|                              | Meena Holdings Limited   | 40.49                        | -                            |
|                              | Add Eco Enviro Limited   | 18.75                        | -                            |
|                              | Add Realty Ltd.  | 12.47                        | -                            |
|                              | Arihant Leasing & Holding Company Limited  | -                            | 32.25                        |
|                              | SPML India Limited   | 170.00                       | 180.00                       |
|                              | Subhash Systems Private Limited  | 343.00                       | -                            |
|                              | Zoom Industrial Services Limited   | 75.00                        | -                            |
|                              | SPML Industries Limited  | 675.00                       | 593.00                       |
|                              | International Construction Limited   | 1.25                         | -                            |
|                              | Acropolis Properties Pvt Ltd   | 1.08                         | -                            |
|                              | Bharat Hydro Power Corporation Limited   | 30.00                        | 8.50                         |
| Sale of Investment           | Siddharth- Mahaveer SPML -JV   | -                            | 3.88                         |
|                              | SPML-CISC JV   | -                            | 16.69                        |

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 35: (CONTD..)

|                         |   | ₹ in Lakhs                   |                              |
|-------------------------|---|------------------------------|------------------------------|
| Transaction             | Related Party                           | Year ended<br>March 31, 2019 | Year ended<br>March 31, 2018 |
| Purchase of Investment  | SPML-HCIL JV                            | -                            | 83.20                        |
|                         | OM Metals Consortium JV                 | 718.46                       | -                            |
|                         | SPM Engineers Limited*                  | -                            | 996.80                       |
|                         | Bharat Hydro Power Corporation Limited* | -                            | 2,259.67                     |
|                         | SPML-HCIL JV                            | 17.55                        | -                            |
| Managerial Remuneration | SPML - Simplex JV                       | -                            | 2.73                         |
|                         | M&P+Subhash JV                          | -                            | 1.51                         |
|                         | Mr. Sushil Kumar Sethi                  | 188.65                       | 119.14                       |
|                         | Mr. Subhash Chand Sethi                 | 188.69                       | 113.14                       |
|                         | Mr. Sujit Kumar Jhunjhunwala            | 26.09                        | 22.73                        |
|                         | Mr. Abhay Raj Singh                     | 24.00                        | 24.15                        |

### B. Balances outstanding at the year end:

|             |  | ₹ in Lakhs              |                         |
|-------------|--|-------------------------|-------------------------|
| Outstanding | Related Party  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Payable     | <b>Subsidiary companies</b>  |                         |                         |
|             | Binwa Power Corporation Private Limited  | 413.82                  | 463.08                  |
|             | Delhi Waste Management Limited   | 3,146.03                | 2,978.25                |
|             | Mathura Nagar Waste Processing Company Limited                                     | 475.04                  | 441.00                  |
|             | SPML Infra Developers Limited  | 4.25                    | 4.25                    |
|             | Add Technologies (India) Limited   | 27.42                   | 20.79                   |
|             | <b>Joint Operations</b>  |                         |                         |
|             | SPML-OM Metals JV  | 314.79                  | 311.56                  |
|             | <b>Key managerial personnel (KMP)</b>  |                         |                         |
|             | Mr. Sushil Kumar Sethi   | 162.35                  | 110.85                  |
|             | Mr. Subhash Chand Sethi  | 31.21                   | -                       |
|             | <b>Relative of KMP</b>   |                         |                         |
|             | Mr. Abhinandan Sethi   | 1.30                    | -                       |
|             | Mrs. Preeti Devi sethi   | 26.33                   | 20.63                   |
|             | <b>Entities where significant influence is exercised by KMP and / or relatives</b> |                         |                         |
|             | Arihant Leasing & Holding Company Limited  | 50.37                   | 84.17                   |
|             | Subhash Systems Private Limited  | 356.61                  | 7.89                    |
|             | SPML Industries Limited  | 1,377.13                | 1,380.39                |
|             | SPM Engineers Limited  | 33.03                   | 32.77                   |
|             | Zoom Industrial Services Limited   | 20.32                   | 1,506.28                |
|             | 20th Century Engineering Limited   | -                       | 0.02                    |
|             | SPML India Limited   | 734.72                  | 893.22                  |
|             | Add Eco Enviro Limited   | -                       | 6.92                    |
|             | Pondicherry Special Economic Zone Company Limited                                  | 824.31                  | 772.77                  |
|             | Bharat Hydro Power Corporation Limited   | -                       | 408.17                  |
|             | Sethi Infratech Private Limited  | 0.07                    | 0.06                    |
|             | Niral Enterprises Pvt Ltd  | 1,298.46                | 1,192.50                |

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 35: (CONTD..)

|             |  | ₹ in Lakhs              |                         |
|-------------|--|-------------------------|-------------------------|
| Outstanding | Related Party  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Receivable  | <b>Subsidiary companies</b>  |                         |                         |
|             | Subhash Kabini Power Corporation Limited   | 1,291.12                | 811.59                  |
|             | SPML Energy Limited  | 254.47                  | 228.74                  |
|             | SPML Infrastructure Limited**  | 809.54                  | 887.96                  |
|             | Awa Power Company Private Limited  | 1,294.07                | 1,166.57                |
|             | IQU Power Company Private Limited  | 990.11                  | 873.68                  |
|             | Neogal Power Company Private Limited   | 818.70                  | 744.24                  |
|             | Luni Power Company Private Limited   | 498.71                  | 454.31                  |
|             | SPML Utilities Limited   | 555.86                  | 552.62                  |
|             | Allahabad Waste Processing Company Limited   | 300.58                  | 297.80                  |
|             | Bhagalpur Electricity Distribution Company Private Limited                         | 5,871.58                | 4,140.77                |
|             | Madurai Municipal Waste Processing Company Private Limited                         | 118.51                  | 118.51                  |
|             | Add Energy Management co. Private Limited  | 133.96                  | 132.06                  |
|             | Doon Valley Waste Management Private Limited                                       | 34.07                   | 29.96                   |
|             | Subhash Urja Private Limited   | 0.01                    | 0.01                    |
|             | <b>Joint Operations</b>  |                         |                         |
|             | SPML-CISC JV   | 3.37                    | 3.37                    |
|             | SPML - Simplex JV  | 31.34                   | 31.34                   |
|             | SPML-HCIL JV   | 58.16                   | 40.60                   |
|             | M&P+Subhash JV   | 435.20                  | 435.20                  |
|             | OM Metals Consortium JV  | 200.00                  | 918.46                  |
|             | Siddharth- Mahaveer SPML -JV   | 92.12                   | 88.27                   |
|             | SUEZ -SPML JV  | 448.58                  | 805.67                  |
|             | <b>Joint ventures</b>  |                         |                         |
|             | Malviya Nagar Water Services Pvt .Ltd  | 450.16                  | 450.16                  |
|             | MVV Water Utility Pvt Ltd.   | 416.04                  | 372.60                  |
|             | Gurha Thermal Power Co Limited   | 1,190.94                | 1,070.53                |
|             | Aurangabad City Water Utility Company Limited                                      | 215.99                  | 215.99                  |
|             | Hydro-Comp Enterprises (India) Private Limited                                     | 0.51                    | 0.32                    |
|             | <b>Associate companies</b>   |                         |                         |
|             | SPML Bhiwandi Water Supply Infra Limited   | 977.04                  | 876.75                  |
|             | SPML Bhiwandi Water Supply Management Limited                                      | 44.44                   | 38.44                   |
|             | <b>Entities where significant influence is exercised by KMP and / or relatives</b> |                         |                         |
|             | 20th Century Engineering Limited   | 0.16                    | -                       |
|             | International Construction Limited   | 1,046.20                | 1,040.70                |
|             | Sanmati Power Company Private Limited  | 251.25                  | 251.25                  |
|             | Meena Holdings Limited   | 0.77                    | 8.75                    |
|             | Bharat Hydro Power Corporation Limited   | 159.71                  | -                       |
|             | Acropolis Properties Pvt Ltd   | 1.08                    | -                       |
|             | JWIL Infra Limited   | 1,309.00                | -                       |
|             | Peacock Pearl Business Solution Pvt Ltd  | 0.13                    | 0.13                    |



## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 35: (CONTD..)

|   |   | ₹ in Lakhs              |                         |
|---|---|-------------------------|-------------------------|
| Outstanding   | Related Party   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Corporate<br>Guarantee<br>outstanding (Also<br>Refer Note 33 for<br>details of security<br>given) | <u>Subsidiary companies</u>                                   |                         |                         |
|   | Awa Power Company Private Limited                             | 247.57                  | 541.45                  |
|   | Neogal Power Company Private Limited                          | -                       | 650.00                  |
|   | Allahabad Waste Processing Company                            | -                       | 536.33                  |
|   | Mathura Nagar Waste Processing<br>Company Private Limited     | -                       | 70.00                   |
|   | Madurai Municipal Waste Processing<br>Company Private Limited | 1,954.23                | 1,280.00                |
|   | SPM Holding Pte. Limited                                      | 5,923.34                | 8,439.57                |
|   | Subhash Kabini Power Corporation Limited                      | 2,449.63                | 4197.51                 |
|   | <u>Associate companies</u>                                    |                         |                         |
|   | Bhilwara Jaipur Toll Road Private Limited                     | 20,182.82               | 21,708.00               |

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

|                                |  | ₹ in Lakhs    |               |
|--------------------------------|--|---------------|---------------|
| Particulars                    |  | 2018-19       | 2017-18       |
| - Short-term employee benefits |  | 410.14        | 276.28        |
| - Post employment benefits     |  | 17.28         | 2.88          |
|                                |  | <b>427.42</b> | <b>279.16</b> |

#### Notes:

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

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash except as otherwise mentioned.

### Note 36.1 Categorization of Financial Instruments

|                                       |                            | ₹ in Lakhs              |  |
|---------------------------------------|----------------------------|-------------------------|--|
| Particulars                           | Carrying value/ Fair value |                         |  |
|                                       | As at<br>March 31, 2019    | As at<br>March 31, 2018 |  |
| <b>(i) Financial Assets</b>           |                            |                         |  |
| <b>a) Measured at FVTPL</b>           |                            |                         |  |
| - Investments in Mutual Fund          | 5.00                       | 5.00                    |  |
| <b>b) Measured at FVOCI</b>           |                            |                         |  |
| - Investments in Equity Instruments   | 476.56                     | 1,114.78                |  |
| <b>c) Measured at Amortised Cost*</b> |                            |                         |  |
| - Loans                               | 12,678.05                  | 13,286.50               |  |
| - Trade Receivables                   | 60,973.28                  | 65,878.91               |  |
| - Other Financial Assets              | 1,32,543.10                | 1,31,695.30             |  |

## Notes to Financial Statements

as at and for the year ended March 31, 2019

### Note 36.1 Categorization of Financial Instruments (Contd..)

₹ in Lakhs

| Particulars                           | Carrying value/ Fair value |                         |
|---------------------------------------|----------------------------|-------------------------|
|                                       | As at<br>March 31, 2019    | As at<br>March 31, 2018 |
| <b>(ii) Financial Liabilities</b>     |                            |                         |
| <b>a) Measured at FVTPL</b>           |                            |                         |
| - Financial Guarantee Obligation      | 724.82                     | 847.75                  |
| <b>b) Measured at Amortised Cost*</b> |                            |                         |
| - Borrowings (Secured and Unsecured)  | 1,29,082.54                | 1,26,631.41             |
| - Other Financial Liabilities         | 1,01,686.20                | 95,869.89               |

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

The Company 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.

### 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)

#### a) Financial assets and liabilities measured at fair value at 31 March 2019

₹ in Lakhs

|   | Level 1 | Level 2 | Level 3 | Total  |
|---|---------|---------|---------|--------|
| <b>Financial Assets</b>                 |         |         |         |        |
| Investments at FVTPL                    | 5.00    | -       | -       | 5.00   |
| Investment at OCI                       | -       | -       | 476.56  | 476.56 |
| <b>Financial Liability</b>              |         |         |         |        |
| Financial Guarantee obligation at FVTPL | -       | -       | 724.82  | 724.82 |

#### Financial assets and liabilities measured at fair value at 31 March 2018

₹ in Lakhs

|   | Level 1 | Level 2 | Level 3  | Total    |
|---|---------|---------|----------|----------|
| <b>Financial Assets</b>                 |         |         |          |          |
| Investments at FVTPL                    | 5.00    | -       | -        | 5.00     |
| Investment at OCI                       | -       | -       | 1,114.78 | 1,114.78 |
| <b>Financial Liability</b>              |         |         |          |          |
| Financial Guarantee obligation at FVTPL | -       | -       | 847.75   | 847.75   |

#### (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.

## Notes to Financial Statements as at and for the year ended March 31, 2019

### Note 36.2 Fair Value Hierarchy (Contd..)

#### (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 ₹1.32 lakhs in Profit and Loss and 1% decrease will have an equal but opposite effect. |

### NOTE 37. FINANCIAL RISK MANAGEMENT OBJECTIVES 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 summarised below.

#### 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.

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD..)

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 recognized in statement of profit and loss.

|                  |   | ₹ in Lakhs     |                |
|------------------|---|----------------|----------------|
| Credit Rating    | Particulars   | March 31, 2019 | March 31, 2018 |
| Low Credit Risk  | Cash and cash equivalents, other bank balances, investments, loans and other financial assets | 1,13,748.58    | 1,12,084.76    |
| High Credit Risk | Trade Receivables, Loans  | 92,927.41      | 99,895.73      |

#### b) Credit Risk Exposure

Provision for Expected Credit Loss

The Company provides for expected credit loss based on 12 month and lifetime expected credit loss basis for following financial assets:

March 31, 2019

|                   |  | ₹ in Lakhs           |   |
|-------------------|--|----------------------|---|
| Particulars       | Estimated Gross Carrying amount at default | Expected Credit Loss | Carrying amount net of Impairment Provision |
| Loans             | 13,951.33                                  | 1,273.28             | 12,678.05                                   |
| Trade Receivables | 78,976.08                                  | 18,002.80            | 60,973.28                                   |

March 31, 2018

|                   |  | ₹ in Lakhs           |   |
|-------------------|--|----------------------|---|
| Particulars       | Estimated Gross Carrying amount at default | Expected Credit Loss | Carrying amount net of Impairment Provision |
| Loans             | 14,559.78                                  | 1,273.28             | 13,286.50                                   |
| Trade Receivables | 85,335.95                                  | 19,457.04            | 65,878.91                                   |

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      |  |
| As on March 31, 2017               | 18,433.87         | 1,273.28   |  |
| Allowance for Expected Credit Loss | 1,023.17          | -          |  |
| As on March 31, 2018               | 19,457.04         | 1,273.28   |  |
| Allowance for Expected Credit Loss | (1,454.24)        | -          |  |
| As on March 31, 2019               | 18,002.80         | 1,273.28   |  |

#### 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.

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD..)

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, 2019

| ₹ in Lakhs                  |                  |           |                   |             |
|-----------------------------|------------------|-----------|-------------------|-------------|
| Particulars                 | Less than 1 year | 1-5 years | More than 5 years | Total       |
| Borrowings                  | 62,802.45        | 2,895.65  | 63,384.44         | 1,29,082.54 |
| Trade Payable               | 65,762.66        | 12,120.39 | -                 | 77,883.05   |
| Other Financial Liabilities | 18,554.86        | 5,973.12  | -                 | 24,527.98   |

March 31, 2018

| ₹ in Lakhs                  |                  |           |                   |             |
|-----------------------------|------------------|-----------|-------------------|-------------|
| Particulars                 | Less than 1 year | 1-5 years | More than 5 years | Total       |
| Borrowings                  | 55,249.00        | 4,479.83  | 66,902.58         | 1,26,631.41 |
| Trade Payable               | 56,833.37        | 4,420.03  | 1,105.01          | 67,627.66   |
| Other Financial Liabilities | 23,429.48        | 4,528.40  | 1,132.10          | 29,089.98   |

### 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

| ₹ in Lakhs              |                |                |
|-------------------------|----------------|----------------|
| Particulars             | March 31, 2019 | March 31, 2018 |
| Variable Rate Borrowing | 56,994.30      | 57,016.58      |
| Fixed Rate Borrowing    | 72,088.24      | 69,614.82      |

#### 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, 2019 | March 31, 2018 |
| <b>Interest Sensitivity*</b>                |                |                |
| Interest Rates increase by 100 basis points | 767.72         | 1,044.21       |
| Interest Rates decrease by 100 basis points | 767.72         | 1,044.21       |

\*Holding all other variables constant

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD..)

#### 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, 2019 | March 31, 2018 |
| <b>Price Sensitivity*</b>             |                |                |
| Price increase/ decrease by 5%- FVOCI | 23.81          | 22.56          |

\*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 parent. 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 longterm 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:

| Particulars                     | ₹ in Lakhs              |                         |
|---------------------------------|-------------------------|-------------------------|
|                                 | As on<br>March 31, 2019 | As on<br>March 31, 2018 |
| Borrowings                      | 1,31,111.16             | 1,28,277.71             |
| Trade payables                  | 77,883.05               | 67,627.66               |
| Less: cash and cash equivalents | (747.41)                | (1,619.41)              |
| <b>Net debt</b>                 | <b>2,08,246.80</b>      | <b>1,94,285.95</b>      |
| Total capital                   | 37,943.50               | 43,562.67               |
| <b>Capital and net debt</b>     | <b>2,46,190.30</b>      | <b>2,37,848.62</b>      |
| <b>Gearing ratio</b>            | <b>85%</b>              | <b>82%</b>              |

### NOTE 39: DEFERRED TAX ASSET

| Particulars   | ₹ in Lakhs              |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| <b>Deferred Tax Assets arising out of:</b>                                  |                         |                         |
| Provision as per Expected Credit Loss Model                                 | 6,019.24                | 5,870.30                |
| Adjustment for Modified Retrospective Impact of Ind AS 115 as on 01.04.2018 | 5,368.34                | -                       |
| Impact of Fair valuation of Loans   | 700.55                  | 700.55                  |
| Fair valuation of Investments   | 1,756.94                | 1,609.69                |
| Impairment of Property, Plant and Equipment                                 | 131.36                  | 193.19                  |
| <b>Gross Deferred Tax Assets</b>  | <b>13,976.43</b>        | <b>8,373.73</b>         |



## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 39: DEFERRED TAX ASSET (CONTD..)

| ₹ in Lakhs                                      |                         |                         |
|---|-------------------------|-------------------------|
| Particulars                                     | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| <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                                 | 966.56                  | 618.59                  |
| <b>Gross Deferred Tax Liabilities</b>           | <b>2,877.92</b>         | <b>2,529.95</b>         |
| <b>Net Deferred Tax Assets</b>                  | <b>11,098.51</b>        | <b>5,843.78</b>         |

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

#### Reconciliation of deferred tax Assets (net):

| ₹ in Lakhs  |                         |                         |
|---|-------------------------|-------------------------|
| Particulars   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| <b>Opening balance as of April 1</b>  | 5,843.78                | 6,064.24                |
| Tax income/(expense) during the period recognised in profit or loss                     | (232.55)                | (191.88)                |
| Tax income/(expense) during the period recognised in OCI                                | 118.94                  | (28.58)                 |
| Tax income/(expense) during the period due to impact of Ind AS 115 in Retained Earnings | 5,368.34                | -                       |
| <b>Closing balance as at March 31</b>   | <b>11,098.51</b>        | <b>5,843.78</b>         |

#### Statement of profit and loss:

| ₹ in Lakhs   |                                       |                                       |
|--|---------------------------------------|---------------------------------------|
| Particulars  | For the year ended<br>31st March 2019 | For the year ended<br>31st March 2018 |
| <b>Profit or loss section</b>  |                                       |                                       |
| <b>Current income tax:</b>   |                                       |                                       |
| Current income tax charge  | 1,539.36                              | 993.19                                |
| <b>Deferred tax:</b>   |                                       |                                       |
| Relating to origination and reversal of temporary differences              | 232.55                                | 191.88                                |
| <b>Income tax expense reported in the statement of profit or loss</b>      | <b>1,771.91</b>                       | <b>1,185.08</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                         | (147.25)                              | 14.28                                 |
| Net loss/(gain) on remeasurements of defined benefit plans                 | 28.31                                 | 14.30                                 |
| <b>Income tax charged to OCI</b>   | <b>(118.94)</b>                       | <b>28.58</b>                          |

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31st March 2018 and 31st March 2019:

| ₹ in Lakhs  |                                       |                                       |
|---|---------------------------------------|---------------------------------------|
| Particulars   | For the year ended<br>31st March 2019 | For the year ended<br>31st March 2018 |
| <b>Accounting profit before tax</b>                                       | 6,733.74                              | 5,496.71                              |
| At India's statutory income tax rate of 34.608% (31 March 2017: 34.608 %) | 2,330.41                              | 1,902.30                              |
| Effect of Income being taxed at different rate (MAT Rate)                 | (893.32)                              | (729.22)                              |
| Adjustments in respect of items that are exempted from Income tax         | (102.27)                              | 179.89                                |
| <b>Income tax expense reported in the statement of profit and loss</b>    | <b>1,539.36</b>                       | <b>993.19</b>                         |

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 40. EARNING PER SHARE

| Particulars                                  | ₹ in Lakhs                            |                                       |
|--|---------------------------------------|---------------------------------------|
|  | For the year ended<br>31st March 2019 | For the year ended<br>31st March 2018 |
| Net profit available for Equity Shareholders | 4,961.83                              | 4,311.64                              |
| Weighted Average number of Equity shares     | 366.50                                | 366.50                                |
| Basic and Diluted Earnings Per Share         | 13.54                                 | 11.76                                 |

**Note 41.** Sundry balances/liabilities written back aggregating ₹60.21 lakhs (₹1,245.08 lakhs) consisting of numerous balances being unclaimed / unmoved since long (mostly more than three years) have been written back during the year as the management believes that these amounts are no longer payable.

**Note 42.** No provision for interest on account of YTM amounting to ₹4,731.86 lakhs (₹1,842.68 lakhs as on 31st March 2018) has been made on Optionally Convertible Debentures (OCDs) issued to lenders under SPML S4A Scheme, as the management believes that the same is not payable until maturity of such OCD.

**Note 43.** Clients of the Company have foreclosed the certain contracts which are under arbitration / litigation proceedings. The management, based on the fact of the case is confident to recover the trade receivables and Inventories amounting of ₹3,402.74 lakhs as on 31st march 2019 (₹3,402.74 lakhs as on 31st March 2018) and ₹1040.62 lakhs respectively, In respect of certain contracts with customers which are under arbitration/dispute. The Management, based on facts of the cases is confident to recover / realize the above amounts.

**Note 44.** The Company has Trade and Other Receivables amounting ₹26,814.56 lakhs as on March 31, 2019 (₹25,460.41 lakhs as on March 31, 2018,) and has recognized interest of ₹946.01 lakhs during the year ended 31st March 2019 (₹1,471.20 lakhs as on March 31, 2018) arising out of arbitration awards pronounced in favour of the Company. 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 carried forward as receivable as the management believes that the final outcome of the appeals would be in favor of the Company based on the facts of the respective cases and is confident to recover the aforesaid claims in full.

**Note 45.** Trade receivables aggregating ₹8,216.06 lakhs (31st March, 2018 ₹8,216.06 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 realization.

**Note 46.** In accordance with the provisions of Section 135 of the Companies Act 2013, the Company was to spend a sum of ₹45.93 lakhs towards the CSR activities during the year ended March 31, 2019. During the year, the Company has spent Nil for the aforesaid activities.

**Note 47.** Previous periods's figures have been regrouped/rearranged wherever considered necessary to confirm to the figures presented in the current year. Certain balances of Trade Receivables, Loans, Unsecured Borrowings and Trade Payables are subject to confirmations and subsequent reconciliations.

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 48. INFORMATION ON JOINT ARRANGEMENTS OF THE COMPANY

Description of Company's interest in the joint operations of the entity

| Name of the entity                       | As at 31st March, 2019 |                          | As at 31st March, 2018 |                          |
|--|------------------------|--------------------------|------------------------|--------------------------|
|  | Proportion of Interest | Country of Incorporation | Proportion of Interest | Country of Incorporation |
| Siddhartha - Mahavir-SPML                | 10%                    | India                    | 10.00%                 | India                    |
| Om Metal Consortium                      | 0%                     | India                    | 5.00%                  | India                    |
| SPML - CISC JV                           | 50%                    | India                    | 50.00%                 | India                    |
| SPML - Simplex                           | 50%                    | India                    | 50.00%                 | India                    |
| SPML - HCIL                              | 100%                   | India                    | 33.00%                 | India                    |
| M&P + Subhash JV                         | 40%                    | India                    | 40.00%                 | India                    |
| SPML - OM Metal JV                       | 50%                    | India                    | 50.00%                 | India                    |
| Suez Environment France & SPML Infra Ltd | 48%                    | India                    | 48.00%                 | India                    |
| India JV                                 |                        |                          |                        |                          |
| JWIL SPML JV                             | 30%                    | India                    | -                      | -                        |

Description of Company's interest in the joint ventures of the Company

| Name of the entity                           | As at 31st March, 2019 |                          | As at 31st March, 2018 |                          |
|--|------------------------|--------------------------|------------------------|--------------------------|
|  | 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                | 47.99%                 | India                    | 47.99%                 | India                    |
| Aurangabad City Water Utility Co. 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, 2019 is as follows:-

| Name of the Joint Operation                             |         | Company's Share in |             |          |          | Profit/(Loss) (-) after tax | capital expenditure commitments and contingent liabilities |
|---|---------|--------------------|-------------|----------|----------|-----------------------------|--|
|   |         | Assets             | Liabilities | Income   | Expenses |                             |  |
| Siddhartha-Mahavir-SPML *                               | 2018-19 | 332.30             | 288.52      | 1.41     | 2.57     | (1.16)                      | -  |
|   | 2017-18 | 343.52             | 292.02      | 62.98    | 66.04    | (3.07)                      | -  |
| OM Metal Consortium *                                   | 2018-19 | -                  | -           | -        | -        | -                           | -  |
|   | 2017-18 | 648.89             | 1.93        | 1.14     | 0.35     | 0.79                        | -  |
| SPML CISC JV *  | 2018-19 | 11.07              | 2.98        | -        | 0.76     | (0.76)                      | -  |
|   | 2017-18 | 11.72              | 2.87        | -        | 0.86     | (0.86)                      | -  |
| SPML - Simplex *  | 2018-19 | 62.73              | 28.58       | 2.90     | 0.08     | 2.81                        | 121.27   |
|   | 2017-18 | 60.02              | 28.68       | 2.78     | 0.05     | 2.73                        | 121.27   |
| SPML - HCIL JV *  | 2018-19 | 13.39              | 40.99       | -        | 0.14     | (0.14)                      | -  |
|   | 2017-18 | -                  | -           | -        | -        | -                           | -  |
| JWIL - SPML JV *  | 2018-19 | 974.60             | 974.71      | 323.38   | 323.48   | (0.11)                      | -  |
|   | 2017-18 | -                  | -           | -        | -        | -                           | -  |
| Suez Environment France & SPML Infra Limited India JV * | 2018-19 | 394.85             | 388.92      | 642.33   | 631.48   | 10.85                       | -  |
|   | 2017-18 | 711.57             | 713.43      | 1,040.63 | 1,039.15 | 0.31                        | -  |
| M&P + Subhash JV *                                      | 2018-19 | 2,166.47           | 2,148.93    | 1.74     | 0.15     | 1.59                        | -  |
|   | 2017-18 | 2,164.40           | 2,148.93    | 1.70     | 0.19     | 1.51                        | -  |
| SPML - OM Metal JV *                                    | 2018-19 | -                  | -           | -        | -        | -                           | -  |
|   | 2017-18 | 1,598.28           | 1,044.59    | 3,848.37 | 3,571.02 | 777.50                      | -  |

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 48. INFORMATION ON JOINT ARRANGEMENTS OF THE COMPANY (CONTD..)

The Company's share of income and expenses in the joint Ventures as at and for the year ended March 31, 2019 is as follows:-

|  |         | ₹ in Lakhs         |          |                                |
|--|---------|--------------------|----------|--------------------------------|
| Name of the Joint Venture                      |         | Company's Share in |          | Profit/(Loss)<br>(-) after tax |
|  |         | Income             | Expenses |                                |
| Malviya Nagar Water Services Private Limited * | 2018-19 | 618.35             | 659.42   | (41.07)                        |
|  | 2017-18 | 637.27             | 829.55   | (192.29)                       |
| Gurha Thermal Power Company Limited *          | 2018-19 | -                  | -        | -                              |
|  | 2017-18 | -                  | -        | -                              |
| MVV Water Utility Pvt Limited                  | 2018-19 | 219.63             | 207.58   | 12.05                          |
|  | 2017-18 | 156.17             | 450.70   | (294.53)                       |
| Hydro Comp Enterprises (India) Limited         | 2018-19 | -                  | 5.66     | (5.66)                         |
|  | 2017-18 | -                  | 0.53     | (0.53)                         |
| Aurangabad City Water Utility Co. Limited*     | 2018-19 | 0.48               | 220.92   | (220.44)                       |
|  | 2017-18 | 0.87               | 256.47   | (255.61)                       |

\* These financial statement have been accounted for based on the management certified financial statement.

### NOTE 49 SEGMENT REPORTING

The Company is primarily engaged in the business of construction. In accordance with IND AS -108 notified pursuant to Companies (Indian Accounting Standards) Rules, 2015 , (as amended), the Company has identified two reportable business segments viz. Constuction and Trading. The Company is primarily operating in India which is considered as single geographical segment.

|          |  | ₹ in Lakhs         |                    |
|----------|--|--------------------|--------------------|
| SL.      | Particulars  | YEAR ENDED         |                    |
|          |  | March 31, 2019     | March 31, 2018     |
| <b>1</b> | <b>Segment revenue (gross)</b>   |                    |                    |
|          | a) Construction  | 1,16,172.50        | 1,10,724.85        |
|          | b) Trading   | 27,163.56          | 24,867.70          |
|          | <b>Net sales/ Income from operations</b>   | <b>1,43,336.06</b> | <b>1,35,592.55</b> |
| <b>2</b> | <b>Income/(expenses)</b>   |                    |                    |
|          | Depreciation/ammortisation   |                    |                    |
|          | a) Construction  | 371.97             | 765.56             |
|          | b) Trading   | -                  | -                  |
| <b>3</b> | <b>Segment Profit / (Loss) (before tax and interest)</b>   |                    |                    |
|          | a) Construction  | 16,894.20          | 20,843.86          |
|          | b) Trading   | 478.07             | 1,082.15           |
|          | <b>Profit before taxes and Interest (including adjustments for Other Comprehensive Income)</b>   | <b>17,372.27</b>   | <b>21,926.01</b>   |
|          | Finance Expenses (Net)   | (11,076.00)        | (16,354.66)        |
|          | <b>Profit before taxes (including adjustments for Other Comprehensive Income)</b>                | <b>6,296.27</b>    | <b>5,571.35</b>    |
|          | Provision for taxation (Current tax, deferred tax, and adjustments on account of Previous years) | 1,771.91           | 1,185.07           |
|          | <b>Profit after tax (including adjustments for Other Comprehensive Income)</b>                   | <b>4,524.36</b>    | <b>4,386.28</b>    |

## **Notes to Financial Statements** as at and for the year ended March 31, 2019

### NOTE 49 SEGMENT REPORTING (CONTD..)

|          |  | ₹ in Lakhs         |                    |
|----------|--|--------------------|--------------------|
| SL.      | Particulars                                      | AS ON              |                    |
|          |  | March 31, 2019     | March 31, 2018     |
| <b>4</b> | <b>Segment Assets</b>                            |                    |                    |
|          | a) Construction                                  | 2,59,299.92        | 2,54,516.19        |
|          | b) Trading                                       | 12,853.24          | 14,886.14          |
|          | <b>Total Segment Assets</b>                      | <b>2,72,153.16</b> | <b>2,69,402.33</b> |
| <b>5</b> | <b>Segment Liabilities</b>                       |                    |                    |
|          | a) Construction                                  | 2,04,444.69        | 1,99,004.72        |
|          | b) Trading                                       | 29,764.96          | 26,834.95          |
|          | <b>Total Segment Liabilities</b>                 | <b>2,34,209.66</b> | <b>2,25,839.66</b> |
| <b>6</b> | <b>Capital expenditure</b>                       | 171.73             | 120.99             |
| <b>7</b> | <b>Investment in Associate and Joint Venture</b> | 5,525.32           | 6,382.32           |

Signatories to Notes 1 to 49

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: 18th May 2019

#### Subhash Chand Sethi

Chairman

DIN: 00464390

#### Abhay Raj Singh

Company Secretary

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

#### Sushil Kr. Sethi

Managing Director

DIN: 00062927

#### Sujit Kumar Jhunjunwala

Chief Financial Officer

## Form AOC-1

### 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 |
|------------|--|---|--------------------|---------------|---------------|--------------------|----------------|-------------------|-------------------|-------------|------------------------|------------------------|-----------------------|-------------------|-------------------|
| ₹ in Lakhs |  |   |                    |               |               |                    |                |                   |                   |             |                        |                        |                       |                   |                   |
| 1          | ADD Energy Management Company Private Limited              | -   | INR                | 1             | 1,01,200      | (72,45,718)        | 1,81,33,192    | 2,52,77,710       | -                 | -           | 25,39,909              | 1,96,044               | 23,43,865             |                   | 44.72%            |
| 2          | Add Technologies (India) Limited                           | -   | INR                | 1             | 7,13,40,000   | (69,61,560)        | 12,87,20,044   | 6,43,41,604       | 15,150            | 9,61,03,234 | (1,24,89,030)          | (30,63,487)            | (94,25,543)           |                   | 43.38%            |
| 3          | Aliahabad Waste Processing Company Limited                 | -   | INR                | 1             | 1,21,10,000   | 9,87,37,617        | 30,48,40,409   | 19,39,92,792      | 2,000             | -           | (1,44,10,155)          | (13,54,358)            | (1,30,55,797)         |                   | 95.01%            |
| 4          | Awa Power Company Private Limited                          | -   | INR                | 1             | 3,66,62,470   | 19,40,02,000       | 47,35,56,000   | 24,28,92,000      | -                 | 54,89,782   | (3,24,40,000)          | 14,00,974              | (3,38,41,000)         |                   | 21.90%            |
| 5          | Bhagalpur Electricity Distribution Company Private Limited | -   | INR                | 1             | 1,00,000      | (19,35,05,357)     | 1,40,96,73,375 | 1,60,30,79,188    | -                 | -           | (5,12,02,357)          | -                      | (5,12,02,357)         |                   | 99.99%            |
| 6          | Binwa Power Company Private Limited                        | -   | INR                | 1             | 59,85,000     | 5,93,01,000        | 9,18,00,000    | 2,65,14,000       | -                 | -           | (8,13,000)             | -                      | (8,13,000)            |                   | 50.79%            |
| 7          | Delhi Waste Management Limited                             | -   | INR                | 1             | 1,57,50,000   | 82,70,32,933       | 90,27,82,127   | 5,99,99,194       | 16,52,92,065      | 5,75,39,962 | 3,10,65,054            | 2,94,61,718            | 16,03,336             |                   | 49.39%            |
| 8          | Delhi Waste Management Najafgarh Private Limited           | -   | INR                | 1             | 1,00,000      | (46,904)           | 30,16,480      | 29,63,384         | -                 | -           | (63,384)               | (16,480)               | (46,904)              |                   | 25.19%            |
| 9          | Doon Valley Waste Management Private Ltd                   | -   | INR                | 1             | 9,60,000      | (2,03,69,413)      | 1,44,030       | 1,95,53,443       | -                 | -           | (51,28,149)            | 70,57,023              | (1,21,85,172)         |                   | 87.49%            |
| 10         | IQU Power Company Private Limited                          | -   | INR                | 1             | 3,68,78,316   | 5,88,74,324        | 25,86,32,930   | 16,28,80,459      | -                 | 91,61,346   | (81,00,451)            | (15,674)               | (80,84,777)           |                   | 23.09%            |
| 11         | Luni Power Company Private Limited                         | -   | INR                | 1             | 3,20,11,986   | 26,77,92,384       | 62,81,92,280   | 32,83,88,463      | -                 | -           | (1,65,977)             | 25,370                 | (1,40,607)            |                   | 43.62%            |
| 12         | Madurai Municipal Waste Processing Company Private Limited | -   | INR                | 1             | 22,82,70,000  | (10,64,84,367)     | 47,80,79,242   | 35,62,93,609      | -                 | -           | (3,64,08,993)          | (10,02,874)            | (3,54,06,119)         |                   | 92.33%            |
| 13         | Mathura Nagar Waste Processing Company Limited             | -   | INR                | 1             | 61,93,000     | 3,14,22,462        | 9,23,03,220    | 5,46,87,758       | 2,700             | -           | (77,97,430)            | (27,646)               | (77,69,784)           |                   | 90.25%            |
| 14         | Mizoram Infrastructure Development Company Limited         | -   | INR                | 1             | 5,00,000      | (1,57,245)         | 3,75,000       | 32,721            | -                 | -           | (20,500)               | -                      | (20,500)              |                   | 68.99%            |
| 15         | Neogal Power Company Private Limited                       | -   | INR                | 1             | 3,82,97,000   | 17,88,87,000       | 46,00,31,000   | 24,28,47,384      | -                 | 21,95,024   | (4,67,92,394)          | (7,03,000)             | (4,74,95,394)         |                   | 15.20%            |



**PART 'A' - Summary of Financial Information of Subsidiary Companies (Contd..)**

| 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 |
|---------|--|---|--------------------|---------------|---------------|--------------------|----------------|-------------------|-------------------|----------------|------------------------|------------------------|-----------------------|-------------------|-------------------|
|         |  |   |                    |               |               |                    |                |                   |                   |                |                        |                        |                       |                   | ₹ in Lakhs        |
| 16      | SJA Developers Private Limited               | -   | INR                | 1             | 6,69,61,000   | (2,42,89,764)      | 10,15,95,517   | 5,89,24,271       | 9,43,65,500       | -              | 3,64,551               | 1,35,452               | 2,29,099              | -                 | 42.36%            |
| 17      | SPM Holdings Pte Ltd                         | -   | USD                | 69.44         | 41,67,27,000  | 38,92,54,439       | 3,23,25,17,891 | 2,42,65,36,085    | 57,06,30,708      | 4,58,57,47,615 | 14,69,51,091           | 77,79,393              | 13,91,71,698          | -                 | 44.72%            |
| 18      | PT Sananti Natural Resources                 | -   | IDR                | 205.07        | 76,38,400     | 6,60,27,182        | 53,03,98,424   | 45,67,03,110      | 52,93,45,850      | -              | 7,84,69,967            | -                      | 7,84,69,967           | -                 | 44.27%            |
| 19      | SPML Energy Limited                          | -   | INR                | 1             | 36,45,00,000  | (24,87,05,000)     | 15,91,30,000   | 4,33,35,000       | 6,33,70,000       | -              | 11,63,823              | 1,62,426               | 13,26,249             | -                 | 58.07%            |
| 20      | SPML Infrastructure Limited                  | -   | INR                | 1             | 74,33,042     | 21,28,97,566       | 60,61,42,610   | 38,58,12,001      | 23,81,25,206      | 2,86,37,463    | (6,49,01,545)          | (55,55,249)            | (5,93,46,297)         | -                 | 99.99%            |
| 21      | SPMLIL Amrutha Constructions Private Limited | -   | INR                | 1             | 1,00,000      | 1,17,57,459        | 74,98,80,739   | 73,80,23,280      | -                 | 86,31,39,745   | 1,67,58,493            | 50,01,034              | 1,17,57,459           | -                 | 50.99%            |
| 22      | SPML Utilities Limited                       | -   | INR                | 1             | 20,00,00,000  | (12,87,19,004)     | 14,11,82,302   | 6,99,01,308       | 7,97,25,786       | -              | (1,80,384)             | 2,82,944               | (4,63,328)            | -                 | 100.00%           |
| 23      | SPML Infra Developers Limited                | -   | INR                | 1             | 5,00,000      | (2,67,000)         | 4,42,000       | 73,000            | -                 | -              | (73,059)               | -                      | (73,059)              | -                 | 100.00%           |
| 24      | Subhash Kabini Power Corporation Ltd.        | -   | INR                | 1             | 43,74,00,000  | 59,76,04,000       | 1,91,07,74,628 | 87,57,71,000      | 74,81,05,000      | 22,27,00,621   | 18,94,06,384           | 5,04,31,755            | 13,89,73,629          | -                 | 44.72%            |
| 25      | Subhash Urja Private Limited                 | -   | INR                | 1             | 1,00,000      | (87,911)           | 42,182         | 30,093            | -                 | -              | (31,114)               | -                      | (31,114)              | -                 | 99.99%            |

The names of companies which have become subsidiaries, during the year:

**Sl. No. Name of Company**

- Delhi Waste Management Najafgarh Private Limited
- SPMLIL Amrutha Constructions Private Limited

**PART 'B' - Associates and Joint Ventures**

| Sl. No.                  | 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 | Not Considered in Consolidation |
|--------------------------|---|-----------------------------------|--------------------|--|---|-----------------------|---|--|--|------------------------------------|---------------------------------|
| <b>A. Joint Ventures</b> |   |                                   |                    |  |   |                       |   |  |  |                                    |                                 |
| 1                        | Aurangabad City Water Utility Co. Ltd.          | 31st Mar-19                       | INR                | 19,405   | 1,04,77,219                                     | 40.01%                | Controls more than 20% of share Capital | -  | -  | -                                  | -                               |
| 2                        | Gurha Thermal Power Co. Ltd.                    | 31st Mar-19                       | INR                | 25,000   | 2,50,000  | 50.00%                | Controls more than 20% of share Capital | -  | -  | -                                  | -                               |
| 3                        | Hydro Comp Enterprises India Private Limited    | 31st Mar-19                       | INR                | 22,96,265  | 22,96,265                                       | 50.00%                | Controls more than 20% of share Capital | (38,22,243)  | (5,65,571)   | (5,65,571)                         | (5,65,571)                      |
| 4                        | MVV Water Utility Private Limited               | 31st Mar-19                       | INR                | 3,74,693   | 27,26,000                                       | 47.99%                | Controls more than 20% of share Capital | (2,40,13,418)  | 12,06,034  | 13,07,070                          | 13,07,070                       |
| 5                        | Malviya Nagar Water Services Private Limited    | 31st Mar-19                       | INR                | 22,05,000  | 2,20,50,000                                     | 26.00%                | Controls more than 20% of share Capital | -  | -  | -                                  | -                               |
| 6                        | M & P Subhash JV                                | 31st Mar-19                       | INR                | -  | 15,04,415                                       | 40.00%                | Controls more than 20% of share Capital | 17,54,057  | 1,59,266   | 2,38,900                           | 2,38,900                        |
| 7                        | Om Metal Consortium                             | 31st Mar-19                       | INR                | -  | -   | 5.00%                 | Controls more than 20% of share Capital | -  | -  | -                                  | -                               |
| 8                        | Suez Environnement - SPML JV                    | 31st Mar-19                       | INR                | -  | -   | 48.00%                | Controls more than 20% of share Capital | -  | -  | -                                  | -                               |
| 9                        | SPML - HCIL                                     | 31st Mar-19                       | INR                | -  | -   | 100.00%               | Controls more than 20% of share Capital | (83,62,385)  | (42,283)   | -                                  | -                               |
| 10                       | SPML - Simplex                                  | 31st Mar-19                       | INR                | -  | 31,34,000                                       | 50.00%                | Controls more than 20% of share Capital | 34,15,509  | 2,81,434   | 2,81,434                           | 2,81,434                        |
| 11                       | SPML - CISC                                     | 31st Mar-19                       | INR                | -  | 3,36,837  | 50.00%                | Controls more than 20% of share Capital | 8,09,381   | (76,300)   | (76,300)                           | (76,300)                        |
| 12                       | SIDDHARTH+MAHAVIR+SPML (JV)                     | 31st Mar-19                       | INR                | -  | 88,26,818                                       | 10.00%                | Controls more than 20% of share Capital | 61,07,596  | (1,15,908)   | (10,43,174)                        | (10,43,174)                     |
| 13                       | SPML-Om Metal JV(Ujjain)                        | 31st Mar-19                       | INR                | -  | -   | 50.00%                | Controls more than 20% of share Capital | -  | -  | -                                  | -                               |
| <b>B. Associates</b>     |   |                                   |                    |  |   |                       |   |  |  |                                    |                                 |
| 1                        | Aurangabad Jal Constructions Private limited    | 31st Mar-19                       | INR                | -  | -   | 0.00%                 | Controls more than 20% of share Capital | -  | -  | -                                  | -                               |
| 2                        | Aurangabad Jal Supply Solution Private Limited  | 31st Mar-19                       | INR                | -  | -   | 0.00%                 | Controls more than 20% of share Capital | -  | -  | -                                  | -                               |
| 3                        | Bhiliwara Jaipur Toll Road Private Limited      | 31st Mar-19                       | INR                | 35,20,302  | 51,91,38,000                                    | 51.00%                | Controls more than 20% of share Capital | 46,70,81,401   | (2,46,79,771)  | -                                  | -                               |
| 4                        | Mizoram Mineral Development Corporation Limited | 31st Mar-19                       | INR                | -  | -   | 0.00%                 | Controls more than 20% of share Capital | -  | -  | -                                  | -                               |
| 5                        | PT Bina Insan Sukses Mandiri                    | 31st Mar-19                       | IDR                | 2,738  | 1,02,47,40,000                                  | 20.20%                | Controls more than 20% of share Capital | (3,78,10,786)  | 5,37,78,930  | 6,96,71,488                        | 6,96,71,488                     |

**PART 'B' - Associates and Joint Ventures (Contd..)**

| Sl. No. | 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 | Not Considered in Consolidation |
|---------|--|-----------------------------------|--------------------|--|---|-----------------------|---|--|--|------------------------------------|---------------------------------|
| 6       | PT Vardhaman Logistics                     | 31st Mar-19                       | IDR                | 1,37,500   | 95,71,000                                       | 12.29%                | Controls more than 20% of share Capital |  | 34,65,251  | 90,644                             | 1,15,478                        |
| 7       | PT Vardhaman Mining Services               | 31st Mar-19                       | IDR                | 4,56,500   | 3,16,99,104                                     | 20.41%                | Controls more than 20% of share Capital |  | (1,61,40,655)  | -                                  | -                               |
| 8       | Rabaan (S) Pte Limited                     | 31st Mar-19                       | USD                | 11,413   | 34,88,000                                       | 20.41%                | Controls more than 20% of share Capital |  | -  | -                                  | -                               |
| 9       | Sanmati Infra Developers Private Limited   | 31st Mar-19                       | INR                | 5,00,000   | 50,00,000                                       | 25.00%                | Controls more than 20% of share Capital |  | (5,21,24,021)  | (1,49,703)                         | -                               |
| 10      | SpmI Bhiwandi Water Supply Infra Limited   | 31st Mar-19                       | INR                | 2,24,700   | 2,25,000  | 44.94%                | Controls more than 20% of share Capital |  | (4,01,765)   | (99,081)                           | (1,21,394)                      |
| 11      | SpmI Bhiwandi Water Supply Management Ltd. | 31st Mar-19                       | INR                | 2,50,000   | 2,50,000  | 50.00%                | Controls more than 20% of share Capital |  | (1,74,222)   | (29,472)                           | (29,472)                        |



# CONSOLIDATED FINANCIAL STATEMENTS

# Independent Auditors' Report

To the Members of SPML Infra Limited

## Report on the Audit of the Consolidated Financial Statements

### 1. Qualified Opinion

We have audited the accompanying consolidated financial statements of SPML Infra Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and Notes to the Consolidated financial statements, including a summary of significant accounting policies (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 other financial information of the subsidiaries, associates and jointly controlled entities, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and except for the possible effects of the matters referred to in the Basis for Qualified Opinion section, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs as at 31st March, 2019, of consolidated profit (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### 2. Basis for Qualified Opinion

- i) We did not audit the financial statements / financial information of 6 (six) subsidiaries included in the consolidated financial statements, whose financial statements / financial information reflect total assets of ₹19,404.73 lakhs as at 31st March, 2019, total revenues of ₹1,043.86 lakhs, total net profit after tax of ₹277.19 lakhs and total comprehensive income of ₹277.19 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 ₹291.90 lakhs and total comprehensive income of ₹291.90 lakhs for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of 5 (five) associates and 3 (three) joint ventures, whose financial statements/ financial information have not been audited by us. These financial statements/ financial information are unaudited and have been furnished to us by the 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 and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on such unaudited financial statements / financial information and consequently, we are unable to comment on adjustments that may have been required to the consolidated financial statements, had such financial statements been audited. The Auditor's Report on the consolidated financial statements for the year ended 31st March, 2018 was also qualified in respect of this matter, in relation to certain subsidiaries, associates and joint venture entities;
- ii) As stated in Note No 45 to the consolidated financial statements regarding non-provision of interest on account of YTM amounting to ₹4,731.86 lakhs (31st March, 2018 : ₹1,842.68 lakhs) on Optionally Convertible Debentures (OCDs) issued to lenders under S4A scheme by the Holding Company. Had such interest provision been made, the finance cost would have been increased by ₹4,731.86 lakhs and profit as well as shareholders fund for the year ended 31st March, 2019 would have been reduced by ₹4,731.86 lakhs. The Auditor's Report on the consolidated financial statements for the year ended 31st March, 2018 was also qualified in respect of the above matter;
- iii) As stated in Note No. 46 to the consolidated financial statements regarding the Holding's trade receivables and inventories as at 31st March, 2019 of ₹3,402.74 lakhs (31st March, 2018 : ₹3,402.74 lakhs) and ₹1,040.62 lakhs respectively relating to projects foreclosed by Clients in earlier years and where the claims are presently under arbitration/ litigation proceedings. Pending the ultimate outcome of these matters, which is presently unascertainable, we are unable to comment on the recoverability of the aforesaid trade receivables and inventories. The Auditor's Report on the consolidated financial statements for the year ended 31st March, 2018 was also qualified in respect of trade receivables.

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 and its associates and joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### 3. Emphasis of Matter

- A.** i) We draw attention to Note No.47 to the consolidated financial statements, regarding uncertainties relating to the recoverability of trade & other receivables of ₹26,814.56 lakhs as at 31st March, 2019 (31st March, 2018 : ₹25,460.41 lakhs) and interest income of ₹946.01 lakhs on arbitration awards during the year ended 31st March, 2019 (for the year ended 31st March, 2018 : ₹1,471.20 lakhs). All these amounts relate to the appeals filed by clients pending in various courts in relation to the arbitration awards passed in favor of the Holding Company and recognized in the current and earlier years. Pending the ultimate outcome of these matters, which is presently unascertainable, no adjustments have been made in the accompanying consolidated financial statements.

Our opinion is not modified in respect of this matter.

- ii) As stated in Note No. 48 to the consolidated financial statements, owing to unavailability of financial statements and/or financial information of 1 (one) joint venture entity, namely, Gurha Thermal Power Co. Ltd., the Group's share of net profit after tax and total comprehensive income therein have not been included in the consolidated financial statements. Considering the amount of investments made in the aforesaid joint venture entity by the Holding company, in our opinion and according to the information and explanations given to us by the management, the financial statement/financial information of the said joint venture are not material to the Group.

Our opinion is not modified in respect of this matter.

- B.** i) We draw attention to Note No. 49(i) to the consolidated financial statements on the following emphasis of matter included in the statutory audit report on the financial statements of Doon Valley Waste Management Pvt. Ltd., a subsidiary of the Holding Company, issued by an independent firm of Chartered Accountants, vide their audit report which are relevant to our opinion on the consolidated financial statements of the Group, and reproduced by us as under :-

"We draw attention to note 9 to the Ind AS financial statements, the Company's net worth is fully eroded indicating the existence of uncertainty that may cast doubt about the Company's ability to continue as a going concern. Considering the matters set out in the said note, this Ind AS financial statement is prepared on a going concern basis.

Our opinion is not qualified in respect of this matter".

- ii) We draw attention to Note No. 49(ii) to the consolidated financial statements on the following emphasis of matter included in the statutory audit report on the financial statements of Sanmati Infra Developers Pvt. Ltd, an associate of the Holding Company, issued by us, vide our audit report which are relevant to our opinion on the consolidated financial statements of the Group, and reproduced by us as under :-

"The Company incurred a net loss of ₹5,98,813/- during the year ended 31st March 2019 and the accumulated losses incurred by the company is ₹23,74,96,083/- as on that date. As stated in Note 3, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, the management is contemplating a new project being evaluated to be commenced in this company. Hence, the management, in spite of material uncertainties leading to significant doubts, is of the view that the going concern assumption is appropriate.

Our opinion is not qualified in respect of this matter".

- iii) We draw attention to Note No. 49(iii) to the consolidated financial statements on the following emphasis of matter included in the statutory audit report on the financial statements of SPML Bhiwandi Water Supply Management Limited, an associate of the Holding Company, issued by an independent firm of Chartered Accountants, vide their audit report which are relevant to our opinion on the consolidated financial statements of the Group, and reproduced by us as under :-



"Attention is drawn to Note 25 in the financial statement which indicates that the Company has accumulated losses more than share capital, as on balance sheet date. However financial statements have been prepared on a going concern basis for the reasons stated in the note.

Our opinion is not modified in respect of this matter".

- iv) We draw attention to Note No. 49(iv) to the consolidated financial statements on the following emphasis of matter included in the statutory audit report on the financial statements of SPML Bhiwandi Water Supply Infra Limited, an associate of the Holding Company, issued by an independent firm of Chartered Accountants, vide their audit report which are relevant to our opinion on the consolidated financial statements of the Group, and reproduced by us as under :-

"Attention is drawn to Note 20 in the financial statement which indicates that the Company has accumulated losses more than share capital, as on balance sheet date. However financial statements have been prepared on a going concern basis for the reasons stated in the note.

Our opinion is not modified in respect of this matter".

- v) We draw attention to Note No. 49(v) to the consolidated financial statements on the following

emphasis of matter included in the statutory audit report on the financial statements of Hydro-Comp Enterprises (India) Private Limited, a joint venture of the Holding Company, issued by an independent firm of Chartered Accountants, vide their audit report which are relevant to our opinion on the consolidated financial statements of the Group, and reproduced by us as under :-

"Attention is drawn to Note 22 in the financial statement which indicates that the Company has accumulated losses more than share capital, as on balance sheet date. However financial statements have been prepared on a going concern basis for the reasons stated in the note.

Our opinion is not modified in respect of this matter".

#### 4. 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 period. 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 matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matter  | How the matter was addressed in the audit  |
|---|--|
| <p>Appropriate recognition, presentation and disclosure of revenues and other related information in view of adaption of Ind AS 115 "Revenue from Contracts with Customers", the new revenue accounting standard.</p> <p>With effect from 1st April, 2018, the Company has adopted Ind AS 115 based on modified retrospective approach and debited the retained earnings as on 1st April, 2018 by ₹10,143.52 lakhs, net of tax effect.</p> <p>The application of the new revenue accounting standard involves certain Key Judgements relating to identification of performance obligations, determination of transaction price of the performance obligations and appropriateness of the basis revenue recognition over a period, as well as certain specific disclosures.</p> <p>Refer Note No. 36 to the accompanying standalone financial statements in this regard.</p> | <p>We assessed the company's process to identify the impact of adoption of the new revenue accounting standard.</p> <p>Our audit approach included, but were not limited to the following :</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the management's process and evaluated design and tested operating effectiveness of the controls relating to implementation of the new revenue accounting standard.</li> <li>• Selected a sample of continuing and new contracts and tested the operating effectiveness of the internal control, relating to identification of the performance obligations and determination of transaction price.</li> <li>• Considered the terms of contracts to determine the transaction price.</li> <li>• Performed analytical procedures for reasonableness of disclosure of revenues .</li> </ul> |

## 5. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 Holding Company, 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 jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities 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 jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

## 6. 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 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 ability of the Group and its associates and jointly controlled entities 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 and its associates and jointly controlled entities 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 and its associates and jointly controlled entities 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 Holding Company 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 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.

## 7. Other Matters

- i) We did not audit the financial statements / financial information of 9(nine) subsidiaries included in the consolidated financial statements, whose financial

statements / financial information reflect total assets of ₹51,594.77 lakhs as at 31st March, 2019, total revenues of ₹49,216.22 lakhs, total net loss after tax of ₹141.42 lakhs and total comprehensive loss of ₹153.34 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 ₹10.78 lakhs and total comprehensive income of ₹10.78 lakhs for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of 2(two) associates and 2(two) joint ventures, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the 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 the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors

- ii) Further, the consolidated financial statements include financial statements / financial information of 7 (seven) joint operations whose financial statements / financial information reflect total assets of ₹3,982.62 lakhs as at 31st March, 2019 and total revenues of ₹971.75 lakhs for the year ended on that date as considered in the consolidated financial statements. These financial statements / financial information are un-audited and have been furnished to us by the 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 joint operations are 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 management, these financial statements/financial information are not material to the Group.

Our opinion is not modified in respect of this matter.

## 8. Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, associates and joint ventures, we report, to the extent applicable, that:

- (a) We have sought and, except for the possible effect of the matters described in the Basis for Qualified Opinion section, 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 effect of the matters described in the Basis for Qualified Opinion section, 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 financial statements 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 possible effects of the matters described in the Basis for Qualified Opinion section, in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.;
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.;
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in **Annexure - A** ;
- (g) 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, in our opinion and to the best of our information and according to the explanations given to us :
  - i) Except for the possible effect of the matters described under the Basis for Qualified Opinion section, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities ;
  - ii) Except for the possible effect of the matters described under the Basis for Qualified Opinion section, 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 ; and
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

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

**CA. Bijay Murmuria**

Partner

Place: Gurgaon

Date: 30th May, 2019

Membership No. : 055788

## "ANNEXURE A" to the Independent Auditors' Report

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the consolidated financial statements of the SPML Infra Limited ("the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities as of and for the year ended 31st March, 2019, we have audited the Internal Financial Controls over Financial Reporting (IFCoFR) of the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India as at that date.

#### Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 the 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

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies as aforesaid, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control 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 IFCoFR of the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies as aforesaid.

#### Meaning of Internal Financial Controls Over Financial Reporting

4. A company's IFCoFR 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 IFCoFR 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 authorizations 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 Over Financial Reporting

5. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

6. In our opinion, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### Other Matters

7. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the IFCoFR in so far as it relates to:
  - i) Certain subsidiaries and jointly controlled entities, 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 venture companies, is based solely on the representation provided by the management.

For **Maheshwari & Associates**

Chartered Accountants

FRN: 311008E

**CA. Bijay Murmuria**

Partner

Place: Gurgaon

Date: 30th May, 2019

Membership No. : 055788



## Balance Sheet as at March 31, 2019

|  |          | ₹ in Lakhs            |                       |
|--|----------|-----------------------|-----------------------|
| Particulars  | Note No. | As at 31st March 2019 | As at 31st March 2018 |
| <b>ASSETS</b>  |          |                       |                       |
| <b>Non-current assets</b>  |          |                       |                       |
| (a) Property, plant and equipment  | 3        | 23,370.83             | 25,714.65             |
| (b) Capital WIP  | 4        | 4,630.14              | 4,840.84              |
| (c) Intangible assets  | 5        | 4,799.79              | 3,699.77              |
| (d) Investment Property  |          | 943.66                | 883.93                |
| (e) Financial assets   |          |                       |                       |
| - Investments  | 6        | 14,735.37             | 12,782.10             |
| - Trade receivables  | 8        | 29,292.97             | 31,390.67             |
| - Loans  | 9        | 4,815.58              | 5,710.90              |
| - Other Non- Current Financial Assets  | 10       | 6,345.48              | 4,112.02              |
| (f) Non Current Tax Assets   | 11.1     | 5,261.26              | 6,142.11              |
| (g) Deferred Tax Assets  | 23       | 11,259.90             | 5,752.09              |
| (h) Other non-current assets   | 12       | 33,803.30             | 28,262.96             |
|  |          | <b>1,39,258.28</b>    | <b>1,29,292.04</b>    |
| <b>Current assets</b>  |          |                       |                       |
| (a) Inventories  | 13       | 6,662.14              | 7,735.79              |
| (b) Financial assets   |          |                       |                       |
| - Investments  | 7        | 2,442.32              | 2,442.32              |
| - Trade receivables  | 8        | 67,772.58             | 65,055.23             |
| - Cash and Cash Equivalents  | 14.1     | 3,685.41              | 2,480.62              |
| - Other Bank Balances  | 14.2     | 8,452.27              | 10,050.94             |
| - Loans  | 9        | 1,573.72              | 2,464.70              |
| - Other Current financial Assets   | 10       | 1,04,695.36           | 1,02,078.53           |
| (c) Current Tax Assets   | 11.1     | 293.73                | 123.37                |
| (d) Other current assets   | 12       | 14,727.81             | 14,992.90             |
|  |          | <b>2,10,305.34</b>    | <b>2,07,424.39</b>    |
| <b>TOTAL ASSETS</b>  |          | <b>3,49,563.62</b>    | <b>3,36,716.43</b>    |
| <b>EQUITY AND LIABILITIES</b>  |          |                       |                       |
| <b>Equity</b>  |          |                       |                       |
| (a) Equity Share capital   | 15       | 819.45                | 819.45                |
| (b) Other Equity   | 16       | 41,193.73             | 45,672.71             |
| <b>Equity attributable to equity holders of the parent</b>                   |          | <b>42,013.18</b>      | <b>46,492.16</b>      |
| (c) Non-controlling interests  |          | 18,484.45             | 11,063.53             |
| <b>Total Equity</b>  |          | <b>60,497.63</b>      | <b>57,555.69</b>      |
| <b>LIABILITIES</b>   |          |                       |                       |
| <b>Non-current liabilities</b>   |          |                       |                       |
| (a) Financial liabilities  |          |                       |                       |
| - Borrowings   | 17       | 67,619.53             | 73,479.57             |
| - Trade Payables   | 18       |                       |                       |
| - Total Outstanding Dues of Micro and Small Enterprises                      |          | -                     | -                     |
| - Total Outstanding Dues of Creditors other than Micro and Small Enterprises |          | 12,120.41             | 5,525.04              |
| - Other Non- Current Financial Liabilities                                   | 21       | 5,248.30              | 5,152.47              |
| (b) Deferred Tax Liability   | 23       | -                     | 14.97                 |
| (c) Provisions   | 19       | 563.78                | 710.73                |
|  |          | <b>85,552.02</b>      | <b>84,882.78</b>      |
| <b>Current liabilities</b>   |          |                       |                       |
| (a) Financial liabilities  |          |                       |                       |
| - Borrowings   | 20       | 71,861.66             | 57,621.51             |
| - Trade payables   | 18       |                       |                       |
| - Total Outstanding Dues of Micro and Small Enterprises                      |          | 193.67                | -                     |
| - Total Outstanding Dues of Creditors other than Micro and Small Enterprises |          | 93,864.69             | 96,356.08             |
| - Other current financial liabilities  | 21       | 29,431.07             | 33,822.19             |
| (b) Other current liabilities  | 22       | 7,276.68              | 5,873.07              |
| (c) Provisions   | 19       | 195.35                | 142.40                |
| (d) Current Tax Liability  | 11.2     | 690.85                | 462.71                |
|  |          | <b>2,03,513.97</b>    | <b>1,94,277.96</b>    |
| <b>TOTAL LIABILITIES</b>   |          | <b>2,89,065.99</b>    | <b>2,79,160.74</b>    |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |          | <b>3,49,563.62</b>    | <b>3,36,716.43</b>    |

Significant Accounting Policies & Notes to Consolidated Financial Statements 1 to 55

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: Gurgaon  
Date: May 30, 2019

### Subhash Chand Sethi

Chairman  
DIN: 00464390

### Abhay Raj Singh

Company Secretary

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

### Sushil Kr. Sethi

Managing Director  
DIN: 00062927

### Sujit Kumar Jhunjhunwala

Chief Financial Officer

## Statement of Profit and Loss for the year ended March 31, 2019

₹ in Lakhs

| Particulars  | Note No. | Year ended March 31, 2019 | Year ended March 31, 2018 |
|--|----------|---------------------------|---------------------------|
| <b>Income</b>  |          |                           |                           |
| Revenue from Operations  | 24       | 2,01,152.08               | 2,04,947.99               |
| Other Income   | 25       | 6,511.72                  | 6,070.74                  |
| <b>Total Income</b>  |          | <b>2,07,663.80</b>        | <b>2,11,018.73</b>        |
| <b>Expenses</b>  |          |                           |                           |
| Materials consumed and direct expenses   | 26       | 97,681.14                 | 97,937.38                 |
| Cost of traded goods   |          | 71,776.26                 | 65,378.60                 |
| Employee benefits expenses   | 27       | 6,197.44                  | 7,280.92                  |
| Depreciation and amortisation expenses   | 28       | 1,087.76                  | 1,683.41                  |
| Finance Cost   | 29       | 16,063.53                 | 21,357.13                 |
| Other Expenses   | 30       | 8,638.74                  | 12,782.21                 |
| <b>Total Expenses</b>  |          | <b>2,01,444.87</b>        | <b>2,06,419.65</b>        |
| <b>Profit / (Loss) before share of (profit) / loss of associate and joint venture, exceptional items and tax</b> |          | <b>6,218.93</b>           | <b>4,599.08</b>           |
| <b>Share of profit / (loss) from investment in associates and joint ventures</b>                                 |          | <b>302.67</b>             | <b>1,363.22</b>           |
| <b>Adjustment for Non-controlling interests</b>  |          | <b>63.66</b>              | <b>(213.11)</b>           |
| <b>Profit/(loss) before tax (I)</b>  |          | <b>6,457.94</b>           | <b>6,175.41</b>           |
| <b>Tax Expenses</b>  |          |                           |                           |
| Current tax  |          | 2,035.89                  | 1,499.78                  |
| Tax for earlier years  |          | 33.04                     | 1.09                      |
| Minimum Alternate Tax credit   |          | 80.50                     | (238.50)                  |
| Deferred tax credit (net)  |          | 335.17                    | (127.27)                  |
| <b>Total Tax Expense</b>   |          | <b>2,484.60</b>           | <b>1,135.10</b>           |
| <b>Profit for the year (II)</b>  |          | <b>3,973.34</b>           | <b>5,040.31</b>           |
| <b>Other Comprehensive Income (OCI)</b>  |          |                           |                           |
| <b>Other comprehensive Income not to be reclassified to profit or loss in subsequent periods:</b>                |          |                           |                           |
| Re-Measurement gains on defined benefit plans  |          | 103.09                    | 154.24                    |
| Income Tax effect on the above   |          | (35.68)                   | (53.38)                   |
| Impact on Fair Valuation of Equity Shares  |          | (638.22)                  | -                         |
| Income Tax Effect on Above   |          | 147.25                    | -                         |
| <b>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</b>                    |          |                           |                           |
| Translation difference of Foreign Operation  |          | -                         | 161.16                    |
| Income Tax Effect on Above   |          | -                         | (14.28)                   |
| <b>Other Comprehensive Income for the year, net of tax (III)</b>   |          | <b>(423.56)</b>           | <b>247.74</b>             |
| <b>Total Comprehensive Income for the year, net of tax (IV) = (II+III)</b>                                       |          | <b>3,549.78</b>           | <b>5,288.05</b>           |
| Earnings per share - Basic and Diluted (Nominal value ₹2 per share)  |          | 10.84                     | 13.75                     |

Significant Accounting Policies &amp; Notes to Consolidated Financial Statements 1 to 55

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: Gurgaon  
Date: May 30, 2019

**Subhash Chand Sethi**

Chairman  
DIN: 00464390

**Abhay Raj Singh**

Company Secretary

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

Managing Director  
DIN: 00062927

**Sujit Kumar Jhunjunwala**

Chief Financial Officer

## Statement of Changes in Equity for the year ended March 31, 2019

### A) Equity Share Capital

(also Refer Note 15)

| Particulars          | Subscribed and Fully Paid-up |        | ₹ in Lakhs                 |
|----------------------|------------------------------|--------|----------------------------|
|                      | No. of Shares                | Amount | Total Equity share capital |
|                      |                              |        | Amount                     |
| As at March 31, 2018 | 3,66,50,276                  | 819.45 | 819.45                     |
| As at March 31, 2019 | 3,66,50,276                  | 819.45 | 819.45                     |

### B) Other Equity

(also Refer Note 16)

| Particulars   | Capital Reserve | Capital Reserve on Consolidation | Securities Premium | General Reserve | Foreign Currency Translation Reserve | Retained earnings (including Other Comprehensive Income) | ₹ in Lakhs |
|---|-----------------|----------------------------------|--------------------|-----------------|--------------------------------------|--|------------|
|   |                 |                                  |                    |                 |                                      |  | Total      |
| Balance as at March 31, 2018                        | 1,102.63        | 1,961.17                         | 16,171.44          | 5,929.05        | (899.22)                             | 21,407.64  | 45,672.71  |
| Profit for the year                                 | -               | -                                | -                  | -               | -                                    | 3,973.34   | 3,973.34   |
| Other comprehensive income for the year, net of tax | -               | -                                | -                  | -               | -                                    | (423.56)   | (423.56)   |
| Total comprehensive income for the year             | -               | -                                | -                  | -               | -                                    | 3,549.78   | 3,549.78   |
| Other Additions/ (deductions)                       | -               | 651.71                           | -                  | -               | 3,156.89                             | (11,837.35)  | (8,028.76) |
| Balance as at March 31, 2019                        | 1,102.63        | 2,612.88                         | 16,171.43          | 5,929.05        | 2,257.67                             | 13,120.07  | 41,193.73  |

Significant Accounting Policies & Notes to Consolidated Financial Statements 1 to 55

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: Gurgaon

Date: May 30, 2019

#### Subhash Chand Sethi

Chairman

DIN: 00464390

#### Abhay Raj Singh

Company Secretary

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

SPML Infra Limited

#### Sushil Kr. Sethi

Managing Director

DIN: 00062927

#### Sujit Kumar Jhunjunwala

Chief Financial Officer

## Cash flow statement for the year ended March 31, 2019

₹ in Lakhs

| Particulars   | Year Ended<br>31st March 2019 | Year Ended<br>31st March 2018 |
|---|-------------------------------|-------------------------------|
| <b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>                            |                               |                               |
| Profit before tax   | 6,457.94                      | 6,175.41                      |
| Adjustments for:  |                               |                               |
| Depreciation and Amortisation expenses                                    | 1,087.76                      | 1,683.41                      |
| Interest Expenses   | 16,034.17                     | 21,254.47                     |
| Bad debts written off   | 1,335.27                      | 1,653.06                      |
| Provision for doubtful debts  | 446.66                        | 1,023.18                      |
| Profit on sale of property plant and equipment                            | 1.22                          | 86.33                         |
| Provisions/unspent Liabilities no longer required written back            | (288.25)                      | (1,385.06)                    |
| Interest Income   | (3,045.73)                    | (2,029.26)                    |
| <b>Operating Profit before Working Capital changes</b>                    | <b>22,029.04</b>              | <b>28,461.54</b>              |
| Adjustment for:   |                               |                               |
| Increase in trade payables  | 4,585.90                      | 37,974.90                     |
| Increase/(decrease) in provisions   | (453.90)                      | (7.06)                        |
| Increase in other current liabilities                                     | 2,439.63                      | 5,797.60                      |
| Increase in trade receivables   | (3,433.78)                    | (23,321.19)                   |
| Decrease/ (increase) in inventories                                       | 1,073.65                      | (505.51)                      |
| Increase in loans and advances  | 487.58                        | (4,563.23)                    |
| Increase in other current assets  | (1,894.07)                    | (22,414.46)                   |
| <b>Cash generated/(used) from operations</b>                              | <b>24,834.05</b>              | <b>21,422.59</b>              |
| Taxes Paid (net of refunds)   | (7,068.76)                    | 2,009.07                      |
| <b>Net Cash from Operating Activities</b>                                 | <b>17,765.29</b>              | <b>23,431.66</b>              |
| <b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>                            |                               |                               |
| Purchase of PPE including capital work in progress and capital advances   | (4,334.04)                    | (1,285.00)                    |
| Proceeds from sale of PPE   | 1,382.04                      | 735.42                        |
| Fixed Deposits encashed/matured   | (634.79)                      | 595.99                        |
| Sale / (purchase) of non-current investments:                             | (1,953.27)                    | 4,140.67                      |
| Loans / (given) refunded by other related party                           | (1,285.45)                    | 1,945.86                      |
| Interest received   | 3,921.88                      | 628.20                        |
| <b>Net Cash used in Investing Activities</b>                              | <b>(2,903.63)</b>             | <b>6,761.14</b>               |
| <b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>                            |                               |                               |
| Movement in minority interest   | (3,828.40)                    | 3,965.88                      |
| Net movement in Long Term Borrowings                                      | (10,216.33)                   | (8,248.84)                    |
| Net movement in Short Term Borrowings                                     | 14,240.16                     | (7,724.55)                    |
| Interest paid   | (17,009.19)                   | (21,023.65)                   |
| <b>Net Cash used in Financing Activities</b>                              | <b>(16,813.76)</b>            | <b>(33,031.16)</b>            |
| <b>D. Exchange differences on translation of foreign subsidiaries</b>     | <b>3,156.89</b>               | <b>1,024.55</b>               |
| <b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>             | <b>1,204.79</b>               | <b>(1,813.81)</b>             |
| Cash & Cash Equivalents at the beginning of the year                      | 2,480.62                      | 4,294.43                      |
| <b>Cash &amp; Cash Equivalents at the end of the year (Refer Note 14)</b> | <b>3,685.41</b>               | <b>2,480.62</b>               |

**Note:** The above Consolidated Cash Flow Statement has been prepared under the Indirect method as setout 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: Gurgaon

Date: May 30, 2019

### Subhash Chand Sethi

Chairman

DIN: 00464390

### Abhay Raj Singh

Company Secretary

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

### Sushil Kr. Sethi

Managing Director

DIN: 00062927

### Sujit Kumar Jhunjunwala

Chief Financial Officer

# **Notes to Financial Statements** as at and for the year ended March 31, 2019

## 1. CORPORATE INFORMATION

The Consolidated Financial Statements comprised Financial Statements of SPML Infra Limited (the 'Company') and its Subsidiaries, its Associates, Joint Operations & Joint Ventures (collectively, the 'Group') for the year ended 31 March 2019.

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 30, 2019.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### Basis of Preparation and compliance with Ind AS

- (i) These financial statements for the year ended 31st March 2019 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 investments 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 2019. 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:

- a. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- b. Exposure, or rights, to variable returns from its involvement with the investee, and
- c. 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 31 March. 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

## Notes to Financial Statements as at and for the year ended March 31, 2019

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 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.

The financial statements of certain subsidiaries and associates have been prepared in accordance with

the following Accounting Standards:

| Name of the Company                     | Accounting Standards                      |
|---|---|
| Subsidiaries                            |   |
| SPM Holdings Pte Ltd.                   | Singapore Financial Reporting Standards   |
| PT Sanmati Natural Resources Associates | Indonesian Financial Accounting Standards |
| PT Vardhaman Mining Services            | Indonesian Financial Accounting Standards |
| PT Vardhaman Logistics                  | Indonesian Financial Accounting Standards |
| Rabaan (S) Pte Ltd.                     | Singapore Financial Reporting Standards   |
| PT Bina Insan Sukses Mandiri            | Indonesian Financial Accounting Standards |

The impact on account of any differences due to adoption of different accounting standards as stated above, in comparison to the Indian Accounting Standards is not material.

### 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.



## Notes to Financial Statements as at and for the year ended March 31, 2019

**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     | Bhagalpur Electricity Distribution Co. Pvt Ltd     |
|                  | Mizoram Infrastructure Development Company Limited |
|                  | PT Sanmati Natural Resources                       |
|                  | Subhash Urja Private Limited                       |
|                  | Bhilwara Jaipur Toll Road Private Limited          |
| Associates       | PT Bina Insan Sukses Mandiri                       |
|                  | PT Vardhaman Logistics                             |
|                  | PT Vardhaman Mining Services                       |
|                  | Rabban (S) PTE Limited                             |
| Joint Ventures   | Aurangabad City Water Utility Co. Ltd.             |
|                  | Hydro Comp Enterprises India Pvt. Ltd.             |
|                  | Malviya Nagar Water Services Pvt. Ltd.             |
|                  |  |

### 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 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. For the remaining assets, the Group has applied Ind AS retrospectively, from the date of their acquisition.

#### 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 3 years. The amortization period and the amortization method are reviewed at the end of each reporting period

On transition to Ind AS, the Group has applied Ind AS retrospectively, from the date of their acquisition for Intangible Assets.

#### 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.

## Notes to Financial Statements as at and for the year ended March 31, 2019

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

|   | 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 lives of buildings and plant and equipment as estimated by the management, is 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

### 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 sale of goods including contracts for supply/commissioning of complex plant and equipment is recognised as follows:

Revenue from sale of traded goods is recognised when the control of the same is transferred to the customer and it is probable that the Company will collect the consideration to which it is entitled for

## **Notes to Financial Statements** as at and for the year ended March 31, 2019

the exchanged goods. Performance obligations in respect of contracts for sale of traded goods is considered as satisfied at a point in time when the control of the same is transferred to the customer and where there is an alternative use of the asset or the company does not have either explicit or implicit right of payment for performance completed till date. In case where there is no alternative use of the asset and the company has either explicit or implicit right of payment considering legal precedents, performance obligation is considered as satisfied over a period of time and revenue is recognized over time.

### **b) Revenue from construction/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.

### **c) 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.

# **Notes to Financial Statements** as at and for the year ended March 31, 2019

## 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.

Stock of trading goods is valued at lower of cost, or net realizable value. Cost is determined on First in First out (FIFO) 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.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

## 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.

# **Notes to Financial Statements** as at and for the year ended March 31, 2019

## 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.

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.



# **Notes to Financial Statements** as at and for the year ended March 31, 2019

## 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.

## 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

### 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.



## **Notes to Financial Statements** as at and for the year ended March 31, 2019

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
- 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:

- Measurement of defined benefit obligations
- Estimated useful life of intangible assets, property, plant and equipment
- 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.
- Provision for expected credit losses

These critical estimates are explained in detail in note no 2.5 - Summary of Significant Accounting Policy.

# Notes to Financial Statements

as at and for the year ended March 31, 2019

## NOTE 3: PROPERTY, PLANT AND EQUIPMENT

| Particulars                     | Freehold land   | Leasehold Land | Buildings owned | Buildings leased | 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, 2017</b>     | <b>7,659.45</b> | <b>44.34</b>   | <b>6,515.52</b> | <b>610.72</b>    | <b>2,500.79</b>                               | <b>28,122.65</b>    | <b>822.56</b>          | <b>2,271.86</b> | <b>2,171.79</b>         | <b>50,719.67</b> |
| Additions                       | -               | -              | 6.43            | -                | 16.65   | 112.20              | 22.30                  | 12.23           | 72.48                   | 242.28           |
| Consolidation adjustment        | -               | -              | -               | -                | -   | (129.75)            | -                      | -               | -                       | (129.75)         |
| Deductions                      | (9.17)          | -              | -               | (610.72)         | -   | (120.27)            | (9.61)                 | (90.68)         | (7.59)                  | (848.06)         |
| <b>As at March 31, 2018</b>     | <b>7,650.27</b> | <b>44.34</b>   | <b>6,521.94</b> | -                | <b>2,517.44</b>                               | <b>27,984.82</b>    | <b>835.24</b>          | <b>2,193.40</b> | <b>2,236.68</b>         | <b>49,984.15</b> |
| Additions                       | -               | -              | -               | -                | 1.80  | 220.64              | 13.11                  | 201.44          | 123.91                  | 560.90           |
| Consolidation adjustment        | -               | -              | -               | -                | -   | 40.05               | -                      | (80.05)         | -                       | (40.00)          |
| Adjustment for JCO              | (31.73)         | (12.77)        | (0.44)          | -                | -   | (21.62)             | (1.99)                 | (7.72)          | (8.83)                  | (85.10)          |
| Deductions                      | -               | -              | -               | -                | -   | (1,611.61)          | (47.13)                | (60.81)         | (98.29)                 | (1,817.84)       |
| <b>As at March 31, 2019</b>     | <b>7,618.54</b> | <b>31.57</b>   | <b>6,521.50</b> | -                | <b>2,519.24</b>                               | <b>26,612.29</b>    | <b>799.23</b>          | <b>2,246.26</b> | <b>2,253.48</b>         | <b>48,602.10</b> |
| <b>ACCUMULATED DEPRECIATION</b> |                 |                |                 |                  |   |                     |                        |                 |                         |                  |
| <b>As at March 31, 2017</b>     | -               | <b>15.94</b>   | <b>2,986.22</b> | -                | <b>2,358.88</b>                               | <b>13,046.62</b>    | <b>711.71</b>          | <b>1,461.42</b> | <b>2,115.01</b>         | <b>22,695.79</b> |
| Charge for the year             | -               | 4.31           | 194.19          | -                | 6.30  | 1,184.25            | 45.93                  | 154.29          | 91.60                   | 1,680.88         |
| Consolidation adjustment        | -               | -              | -               | -                | (63.81)                                       | -                   | (17.07)                | -               | 0.01                    | (80.87)          |
| Deductions                      | -               | -              | -               | -                | -   | (6.83)              | (5.69)                 | (12.12)         | (1.66)                  | (26.30)          |
| <b>As at March 31, 2018</b>     | -               | <b>20.26</b>   | <b>3,180.41</b> | -                | <b>2,301.36</b>                               | <b>14,224.04</b>    | <b>734.88</b>          | <b>1,603.59</b> | <b>2,204.96</b>         | <b>24,269.49</b> |
| Charge for the year             | -               | 1.05           | 194.61          | -                | 10.08   | 666.17              | 40.85                  | 112.72          | 62.02                   | 1,087.50         |
| Consolidation adjustment        | -               | -              | -               | -                | (6.09)  | -                   | -                      | -               | -                       | (6.09)           |
| Adjustment for JCO              | -               | (12.77)        | (0.10)          | -                | -   | (8.23)              | (0.49)                 | (3.51)          | (5.08)                  | (30.17)          |
| Deductions                      | -               | -              | -               | -                | -   | (29.68)             | (9.59)                 | (28.37)         | (21.82)                 | (89.46)          |
| <b>As at March 31, 2019</b>     | -               | <b>8.53</b>    | <b>3,374.93</b> | -                | <b>2,305.35</b>                               | <b>14,852.31</b>    | <b>765.65</b>          | <b>1,684.43</b> | <b>2,240.08</b>         | <b>25,231.27</b> |
| <b>NET BLOCK</b>                |                 |                |                 |                  |   |                     |                        |                 |                         |                  |
| <b>As at March 31, 2018</b>     | <b>7,650.27</b> | <b>24.09</b>   | <b>3,341.53</b> | -                | <b>216.08</b>                                 | <b>13,760.78</b>    | <b>100.36</b>          | <b>589.82</b>   | <b>31.72</b>            | <b>25,714.65</b> |
| <b>As at March 31, 2019</b>     | <b>7,618.54</b> | <b>23.04</b>   | <b>3,146.57</b> | -                | <b>213.89</b>                                 | <b>11,759.98</b>    | <b>33.58</b>           | <b>561.83</b>   | <b>13.40</b>            | <b>23,370.83</b> |

₹ in Lakhs

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 4: CAPITAL WIP

₹ in Lakhs

| Particulars   | Building under construction | Plant & Machinery Under Erection | Toll Road under Construction | Project Development Expenditure | Subsidy         | Total           |
|---|-----------------------------|----------------------------------|------------------------------|---------------------------------|-----------------|-----------------|
| <b>As at March 31, 2017</b>                                       | <b>1,298.22</b>             | <b>5,355.89</b>                  | <b>(47.26)</b>               | <b>(708.70)</b>                 | <b>(457.50)</b> | <b>5,440.65</b> |
| Additions   | 293.44                      | -                                | -                            | 55.28                           | -               | 348.72          |
| Less: Adjustment for CWIP written off/Capitalized during the year | -                           | (16.35)                          | 47.26                        | (100.62)                        | 33.68           | (36.02)         |
| Transfer to investment property                                   | (601.38)                    | -                                | -                            | (311)                           | -               | (912.52)        |
| <b>As at March 31, 2018</b>                                       | <b>990.28</b>               | <b>5,339.55</b>                  | <b>-</b>                     | <b>(1,065.18)</b>               | <b>(423.82)</b> | <b>4,840.84</b> |
| Additions   | -                           | -                                | -                            | 433.08                          | -               | 433.08          |
| Adjustments for JCO   | (577.32)                    | -                                | -                            | (37.26)                         | -               | (614.58)        |
| Less: Adjustment for CWIP written off/Capitalized during the year | -                           | -                                | -                            | (29.20)                         | -               | (29.20)         |
| <b>As at March 31, 2019</b>                                       | <b>412.96</b>               | <b>5,339.55</b>                  | <b>-</b>                     | <b>(698.56)</b>                 | <b>(423.82)</b> | <b>4,630.14</b> |

### NOTE 5: 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, 2017</b>     | <b>0.01</b>                                 | <b>415.37</b>      | <b>2,734.56</b>           | <b>3,149.95</b> |
| Additions                       | 0.00  | -                  | 944.64                    | 944.64          |
| Deductions                      | -   | 0.01               | -                         | 0.01            |
| <b>As at March 31, 2018</b>     | <b>0.01</b>                                 | <b>415.38</b>      | <b>3,679.20</b>           | <b>4,094.60</b> |
| Additions                       | -   | 0.40               | 1,099.89                  | 1,100.29        |
| Deductions                      | -   | -                  | -                         | -               |
| <b>As at March 31, 2019</b>     | <b>0.01</b>                                 | <b>415.78</b>      | <b>4,779.09</b>           | <b>5,194.88</b> |
| <b>ACCUMULATED AMORTISATION</b> |   |                    |                           |                 |
| <b>As at March 31, 2017</b>     | <b>-</b>                                    | <b>392.29</b>      | <b>-</b>                  | <b>392.29</b>   |
| Charge for the year             | -   | 2.53               | -                         | 2.53            |
| Deductions                      | -   | -                  | -                         | -               |
| <b>As at March 31, 2018</b>     | <b>-</b>                                    | <b>394.83</b>      | <b>-</b>                  | <b>394.83</b>   |
| Charge for the year             | -   | 0.26               | -                         | 0.26            |
| Deductions                      | -   | -                  | -                         | -               |
| <b>As at March 31, 2019</b>     | <b>-</b>                                    | <b>395.09</b>      | <b>-</b>                  | <b>395.09</b>   |
| <b>NET BLOCK</b>                |   |                    |                           |                 |
| <b>As at March 31, 2018</b>     | <b>0.01</b>                                 | <b>20.56</b>       | <b>3,679.20</b>           | <b>3,699.77</b> |
| <b>As at March 31, 2019</b>     | <b>0.01</b>                                 | <b>20.68</b>       | <b>4,779.09</b>           | <b>4,799.79</b> |

# Notes to Financial Statements

as at and for the year ended March 31, 2019

## NOTE 6: NON- CURRENT INVESTMENTS

₹ in Lakhs

| Particulars   | No. of Shares/ Units/<br>Debentures As at March 31, |             | Face Value<br>per Share/<br>Unit/<br>Debenture | As at           |                 |
|---|---|-------------|--|-----------------|-----------------|
|   | 2019  | 2018        |  | March 31, 2019  | March 31, 2018  |
| <b>(A) In Quoted Equity Instruments at FVOCI</b>  |   |             |  |                 |                 |
| Indian Arcylcs Limited  | 100   | 100         | 10   | -               | -               |
| Best & Crompton Engineering Limited   | 200   | 200         | 10   | -               | -               |
|   |   |             |  | -               | -               |
| Less: Provision for Diminution in Value of investments  |   |             |  | -               | -               |
| <b>Net Quoted Investments</b>   |   |             |  | -               | -               |
| <b>(B) In Unquoted Equity Instruments at FVOCI</b>  |   |             |  |                 |                 |
| <b>Unquoted</b>   |   |             |  |                 |                 |
| <b>(a) Equity Shares (Fully Paid-up)</b>  |   |             |  |                 |                 |
| Bharat Hydro Power Corporation Limited  | 32,94,150   | 32,94,150   | 10   | 1,273.26        | 1,911.48        |
| 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 Private Limited (The said shares are pledged with OBC against loan taken by the Investee Company) | 2,44,23,700   | 2,44,23,700 | 10   | 0.05            | 0.05            |
| ADD Realty Limited  | 15,000  | 15,000      | 1  | 15.00           | 15.00           |
| Om Metals- SPML Infra Projects Private Limited  | 4,999   | 4,999       | 10   | 0.50            | 0.50            |
| <b>(b) 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  | 0.06            | 0.06            |
|   |   |             |  | <b>1,288.88</b> | <b>1,927.10</b> |
| Less: Provision for Diminution in Value of investments  |   |             |  | 0.06            | 0.06            |
| <b>Net Quoted Investments</b>   |   |             |  | <b>1,288.82</b> | <b>1,927.04</b> |
| In Associate Companies (at Deemed Cost)   |   |             |  |                 |                 |
| Sanmati Infra Developers Private Limited  | 5,00,000  | 5,00,000    | 10   | 50.00           | 50.00           |

## Notes to Financial Statements as at and for the year ended March 31, 2019

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

₹ in Lakhs

| Particulars                                     | No. of Shares/ Units/<br>Debentures As at March 31, |          | Face Value<br>per Share/<br>Unit/<br>Debenture | As at            |                 |
|---|---|----------|--|------------------|-----------------|
|   | 2019  | 2018     |  | March 31, 2019   | March 31, 2018  |
| Less : Share in losses of the Associate Company |   |          |  | (50.00)          | (50.00)         |
|   |   |          |  | -                | -               |
| PT Vardhaman Mining Services                    | 4,56,500  | 4,56,500 | USD 1  | 232.59           | 232.59          |
| Less : Share in losses of the Associate Company |   |          |  | (316.99)         | (316.92)        |
| Add: Foreign Currency Translation differences   |   |          |  | 84.40            | 84.33           |
|   |   |          |  | -                | -               |
| PT Vardhaman Logistics                          | 1,37,500  | 1,37,500 | USD 1  | 69.78            | 69.78           |
| Add : Share in profits of the Associate Company |   |          |  | 29.32            | 27.26           |
| Add: Foreign Currency Translation differences   |   |          |  | (3.39)           | (7.41)          |
|   |   |          |  | <b>95.71</b>     | <b>89.63</b>    |
| Rabaan (S) Pte. Limited                         | 11,413  | 11,413   | SGD 1  | 4.49             | 4.49            |
| Less : Share in losses of the Associate Company |   |          |  | 29.44            | 29.44           |
| Add: Foreign Currency Translation differences   |   |          |  | 0.95             | (31.46)         |
|   |   |          |  | <b>34.88</b>     | <b>2.48</b>     |
| PT Bina Insan Sukes Mandiri                     | 2,738   | 2,738    | IDR 1 million                                  | 8,276.20         | 1,710.79        |
| Add : Share in Profit of the Associate Company  |   |          |  | 5,907.63         | 4,673.13        |
| Add: Foreign Currency Translation differences   |   |          |  | (3,936.43)       | 874.90          |
|   |   |          |  | <b>10,247.40</b> | <b>7,258.82</b> |
| Aurangabad Jal Supply Solutions Private Limited | 2,600   | 2,600    | 10   | -                | 0.26            |
| Less : Share in losses of the Associate Company |   |          |  | -                | (0.26)          |
|   |   |          |  | -                | -               |
| SPML Bhiwandi Water Supply Infra Limited        | 2,24,700  | 2,24,700 | 1  | 2.25             | 2.25            |
| Less : Share in losses of the Associate Company |   |          |  | (1.17)           | (0.18)          |
|   |   |          |  | <b>1.08</b>      | <b>2.07</b>     |
| SPML Bhiwandi Water Supply Management Limited   | 2,50,000  | 2,50,000 | 1  | 2.50             | 2.50            |
| Less : Share in losses of the Associate Company |   |          |  | (0.53)           | (0.24)          |
|   |   |          |  | <b>1.97</b>      | <b>2.26</b>     |
| Aurangabad Jal Constructions Private Limited    | 2,600   | 2,600    | 10   | -                | 0.26            |
| Less : Share in losses of the Associate Company |   |          |  | -                | (0.26)          |
|   |   |          |  | -                | -               |

## Notes to Financial Statements as at and for the year ended March 31, 2019

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

₹ in Lakhs

| Particulars  | No. of Shares/ Units/<br>Debentures As at March 31, |             | Face Value<br>per Share/<br>Unit/<br>Debenture | As at            |                  |
|--|---|-------------|--|------------------|------------------|
|  | 2019  | 2018        |  | March 31, 2019   | March 31, 2018   |
| Bhilwara Jaipur Toll Road Private Limited  | 35,20,302   | 35,20,302   | 10   | 3,408.96         | 3,408.96         |
| Less : Share in losses of the Associate Company  |   |             |  | (724.51)         | (477.71)         |
| (of the above 12,49,336 equity shares are pledged with ICICI Bank and PNB against loans obtained by the said investee company) |   |             |  | 2,684.45         | 2,931.25         |
| <b>Total</b>   |   |             |  | <b>13,065.49</b> | <b>10,286.52</b> |
| <b>In Joint Ventures (at Deemed Cost)</b>  |   |             |  |                  |                  |
| Gurha Thermal Power Company Limited  | 25,000  | 25,000      | 10   | 2.50             | 2.50             |
| MVV Water Utility Private Limited  | 3,64,693  | 3,64,693    | 10   | 23.88            | 23.88            |
| Add : Share in Profit of the Joint Venture   |   |             |  | 15.44            | 3.38             |
|  |   |             |  | <b>39.32</b>     | <b>27.26</b>     |
| Malviya Nagar Water Services Private Limited   | 22,05,000   | 22,05,000   | 10   | 220.50           | -                |
| Less : Share in Loss of the Joint Venture  |   |             |  | (220.50)         | 220.50           |
|  |   |             |  | <b>-</b>         | <b>220.50</b>    |
| Aurangabad City Water Utility Company Limited  | 19,405  | 19,405      | 1  | 2.00             | 2.00             |
| Less : Share in Loss of the Joint Venture  |   |             |  | (2.00)           | (2.00)           |
|  |   |             |  | <b>-</b>         | <b>-</b>         |
| HYDRO Comp Enterprises (India) Limited   | 22,96,265   | 22,96,265   | 1  | 22.96            | 22.96            |
| Less : Share in Loss of the Joint Venture  |   |             |  | (22.96)          | (22.96)          |
|  |   |             |  | <b>-</b>         | <b>-</b>         |
| <b>Total</b>   |   |             |  | <b>41.82</b>     | <b>250.26</b>    |
| <b>Debt Instruments (FVTPL)</b>  |   |             |  |                  |                  |
| ADD Realty Ltd.  | 5,47,50,000   | 5,47,50,000 | 1  | 236.79           | 218.69           |
| Add Industrial Park Tamil Nadu Private Limited   | 2,29,00,000   | -           | 10   | 78.54            | 75.70            |
| MVV Water Utility Private Limited  | 18,380  | 18,380      | 100  | 18.38            | 18.38            |
| Sanmati Infra Developers Private Limited   | 4,50,000  | 4,50,000    | 10   | -                | -                |
|  |   |             |  | <b>333.72</b>    | <b>312.77</b>    |
| <b>Others (at FVTPL)</b>   |   |             |  |                  |                  |
| <b>Unquoted</b>  |   |             |  |                  |                  |
| National Saving Certificate  |   |             |  | 0.52             | 0.52             |
| Mutual Fund  | 50,000  | 50,000      | 10   | 5.00             | 5.00             |
|  |   |             |  | <b>5.52</b>      | <b>5.52</b>      |
| <b>Total</b>   |   |             |  | <b>14,735.37</b> | <b>12,782.10</b> |



## Notes to Financial Statements as at and for the year ended March 31, 2019

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

On Pledge of Investments as held by SPML Infra Ltd. in Associate Companies:

Investments of SPML Infra Ltd. i.e. 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.

### NOTE 7: CURRENT INVESTMENTS

₹ in Lakhs

| Particulars                      | No. of Shares/ Units/<br>Debentures |             | Face Value<br>per Share/<br>Unit/<br>Debenture ₹ | As at           |                 |
|----------------------------------|-------------------------------------|-------------|--|-----------------|-----------------|
|                                  | As at March 31,                     |             |  | March 31, 2019  | March 31, 2018  |
|                                  | 2019                                | 2019        |  |                 |                 |
| <b>Trade (measured at FVTPL)</b> |                                     |             |  |                 |                 |
| <b>Unquoted</b>                  |                                     |             |  |                 |                 |
| Equity Shares (Fully Paid-up)    |                                     |             |  |                 |                 |
| Jarora Nayagaon Toll Road        |                                     |             |  |                 |                 |
| Company Private Limited          | 2,44,23,200                         | 2,44,23,200 | 10   | 2,442.32        | 2,442.32        |
|                                  |                                     |             |  | <b>2,442.32</b> | <b>2,442.32</b> |

\*SPML infrastructure limited had entered into the sale agreement with Viva Highways Limited for the sale of shares in Jaora - Nayagaon Toll Road Co Private Limited in the year (11th Nov 2014). However the sale transactions has not been completed as on 31st March 2019 due to the non completion of terms/restrictions placed by the share holders agreement.

### NOTE 8: TRADE RECEIVABLES (At amortised cost)\*

₹ in Lakhs

| Particulars  | Non-current      |                  | Current          |                  |
|--|------------------|------------------|------------------|------------------|
|  | As at            | As at            | As at            | As at            |
|  | March 31, 2019   | March 31, 2018   | March 31, 2019   | March 31, 2018   |
| Trade Receivables- Others  | 47,295.77        | 50,328.92        | 66,906.39        | 65,055.23        |
| Trade Receivables- Related parties                                 | -                | -                | 866.19           | -                |
| Trade Receivables - which have significant increase in credit risk | -                | -                | -                | -                |
| Trade Receivables - Credit Impaired                                | -                | -                | -                | -                |
| Less: Allowance for doubtful trade receivables                     | (18,002.80)      | (18,938.26)      | -                | -                |
| <b>Total Trade Receivables</b>                                     | <b>29,292.97</b> | <b>31,390.67</b> | <b>67,772.58</b> | <b>65,055.23</b> |

#### Break- up for Security details:

₹ in Lakhs

| Particulars                | Non-current      |                  | Current          |                  |
|----------------------------|------------------|------------------|------------------|------------------|
|                            | As at            | As at            | As at            | As at            |
|                            | March 31, 2019   | March 31, 2018   | March 31, 2019   | March 31, 2018   |
| Trade Receivables          |                  |                  |                  |                  |
| Secured, Considered good   | -                | -                | -                | -                |
| Unsecured, Considered good | 42,964.09        | 44,770.99        | 67,770.87        | 65,055.23        |
| Considered doubtful        | 4,331.68         | 5,557.93         | 1.71             | -                |
|                            | <b>47,295.77</b> | <b>50,328.92</b> | <b>67,772.58</b> | <b>65,055.23</b> |

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 8: TRADE RECEIVABLES (At amortised cost)\* (CONTD..)

₹ in Lakhs

| Particulars  | Non-current             |                         | Current                 |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| <b>Impairment allowance (Allowance for bad and doubtful receivables)</b> |                         |                         |                         |                         |
| on unsecured, considered good (Expected Credit Loss)                     | (13,671.12)             | (13,380.32)             | -                       | -                       |
| on considered doubtful   | (4,331.68)              | (5,557.93)              | -                       | -                       |
|  | <b>(18,002.80)</b>      | <b>(18,938.26)</b>      | -                       | -                       |
| <b>Total Trade Receivables</b>   | <b>29,292.97</b>        | <b>31,390.67</b>        | <b>67,772.58</b>        | <b>65,055.23</b>        |

\* Refer Note 46,47 and 51

a) For terms and conditions relating to related party receivables, (Refer Note 38).

b) Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

### NOTE 9: LOANS (At amortised cost)

₹ in Lakhs

| Particulars                                   | Non-current             |                         | Current                 |                         |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Advance for Share Application Money to others | 45.00                   | 45.00                   | -                       | -                       |
| Security Deposits/Earnest Money Deposits      | 624.96                  | 3,502.69                | 613.23                  | 807.25                  |
| Loans to related parties (Refer Note 38)      | 3,327.64                | 2,163.21                | 287.41                  | 672.50                  |
| Loans to others                               | 817.98                  | -                       | 673.08                  | 984.95                  |
|   | <b>4,815.58</b>         | <b>5,710.90</b>         | <b>1,573.72</b>         | <b>2,464.70</b>         |

#### Break-up:

₹ in Lakhs

| Particulars  | Non-current             |                         | Current                 |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Loans considered good - Secured                      | -                       | -                       | -                       | -                       |
| Loans considered good - Unsecured                    | 4,815.58                | 5,710.90                | 1,573.72                | 2,464.70                |
| Loans which have significant increase in credit risk | -                       | -                       | -                       | -                       |
| Loans credit Impaired                                | -                       | -                       | -                       | -                       |
| <b>Total Loans</b>                                   | <b>4,815.58</b>         | <b>5,710.90</b>         | <b>1,573.72</b>         | <b>2,464.70</b>         |
| Less:- Allowance for doubtful Loans                  | -                       | -                       | -                       | -                       |
| <b>Total Loans</b>                                   | <b>4,815.58</b>         | <b>5,710.90</b>         | <b>1,573.72</b>         | <b>2,464.70</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.

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 10: OTHER FINANCIAL ASSETS (at Amortised Cost)

₹ in Lakhs

| Particulars                             | Non-current             |                         | Current                 |                         |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Non-Current Bank Balances               | 6,345.48                | 4,112.02                | -                       | -                       |
| Unbilled Revenue                        |                         |                         |                         |                         |
| Construction Contracts                  | -                       | -                       | 80,538.90               | 78,009.07               |
| Power Distribution                      | -                       | -                       | -                       | 0.45                    |
| Interest Accrued on Fixed deposit/ Loan | -                       | -                       | 1,814.36                | 2,690.51                |
| Advance against Sale of Investments     | -                       | -                       | 377.32                  | 200.00                  |
| Retention from Customers                | -                       | -                       | 21,964.78               | 20,932.58               |
| Other Receivables                       | -                       | -                       | -                       | 245.92                  |
| <b>TOTAL</b>                            | <b>6,345.48</b>         | <b>4,112.02</b>         | <b>1,04,695.36</b>      | <b>1,02,078.53</b>      |

### NOTE 11.1: TAX ASSETS

₹ in Lakhs

| Particulars  | Non-current             |                         | Current                 |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Advance income-tax (net of provision for taxation) | 5,261.26                | 6,142.11                | 293.73                  | 123.37                  |
|  | <b>5,261.26</b>         | <b>6,142.11</b>         | <b>293.73</b>           | <b>123.37</b>           |

### NOTE 11.2: TAX LIABILITY

₹ in Lakhs

| Particulars                                   | Current                 |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Provision for income-tax (net of advance tax) | 690.85                  | 462.71                  |
|   | <b>690.85</b>           | <b>462.71</b>           |

### NOTE 12: OTHER ASSETS

₹ in Lakhs

| Particulars  | Non-current             |                         | Current                 |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Capital advances                                       | 4,580.68                | 1,364.46                | 126.40                  | 84.83                   |
| Advances recoverable in cash or kind                   | -                       | 195.01                  | 7,101.84                | 9,362.11                |
| Mat Credit Entitlement                                 | 726.31                  | 781.12                  | 10.32                   | 11.42                   |
| Prepaid expenses                                       | -                       | -                       | 295.51                  | 1,114.72                |
| Balances with statutory / government authorities       | 30.91                   | 220.66                  | 7,193.74                | 4,419.82                |
| Subsidies Recievable                                   | 291.34                  | 291.34                  | -                       | -                       |
| Interest accrued on arbitration awards (Refer Note 48) | 20,947.09               | 18,459.23               | -                       | -                       |
| Other non current assets                               | 7,226.97                | 6,951.14                | -                       | -                       |
| <b>TOTAL</b>   | <b>33,803.30</b>        | <b>28,262.96</b>        | <b>14,727.81</b>        | <b>14,992.90</b>        |

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 13: INVENTORIES

(Valued at lower of Cost and Net Realisable Value)

₹ in Lakhs

| Particulars       | Current                 |                         |
|-------------------|-------------------------|-------------------------|
|                   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Material at sites | 3,144.39                | 4,358.06                |
| Work in progress  | 2,222.02                | 2,222.02                |
| Finished Goods    | 49.77                   | 49.77                   |
| Stores and spares | 1,245.96                | 1,105.94                |
|                   | <b>6,662.14</b>         | <b>7,735.79</b>         |

### NOTE 14: CASH AND BANK BALANCES

₹ in Lakhs

| Particulars   | Non-current             |                         | Current                 |                         |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| <b>14.1 Cash and cash equivalents*</b>  |                         |                         |                         |                         |
| Balances with banks :   |                         |                         |                         |                         |
| On current accounts   | -                       | -                       | 3,630.94                | 2,447.39                |
| Deposits with original maturity of less than three months **                      | -                       | -                       | 21.76                   | -                       |
| Cash on hand  | -                       | -                       | 32.71                   | 33.23                   |
| <b>(A)</b>  | <b>-</b>                | <b>-</b>                | <b>3,685.41</b>         | <b>2,480.62</b>         |
| <b>14.2 Other bank balances (other than included in note 14.1 above)</b>          |                         |                         |                         |                         |
| Balances with banks :   |                         |                         |                         |                         |
| On unpaid dividend account  | -                       | -                       | 1.42                    | 1.42                    |
| Deposits with original maturity for more than 12 months **                        | 6,345.48                | 4,112.02                | 8,450.85                | 8,836.62                |
| Deposits with original maturity for more than 3 months but less than 12 months ** | -                       | -                       | -                       | 1,212.90                |
| <b>(B)</b>  | <b>6,345.48</b>         | <b>4,112.02</b>         | <b>8,452.27</b>         | <b>10,050.94</b>        |
| Amount disclosed under non-current assets (Refer Note No. 10)                     | (6,345.48)              | (4,112.02)              | -                       | -                       |
| <b>(A+B)</b>  | <b>-</b>                | <b>-</b>                | <b>12,137.68</b>        | <b>12,531.56</b>        |

\* The above are considered as Cash and Cash equivalents for the purpose of Statement of Cash flows.

\*\* 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 31st March, 2019 |                 | As at 31st March, 2018 |                 |
|--|------------------------|-----------------|------------------------|-----------------|
|  | No. of Shares          | ₹ In Lakhs      | No. of Shares          | ₹ In Lakhs      |
| Authorized capital                                 |                        |                 |                        |                 |
| Equity shares ₹2 each                              | 20,00,00,000           | 4,000.00        | 20,00,00,000           | 4,000.00        |
| Preference shares ₹100 each                        | 10,00,000              | 1,000.00        | 10,00,000              | 1,000.00        |
|  |                        | <b>5,000.00</b> |                        | <b>5,000.00</b> |
| Issued, subscribed and paid-up capital             |                        |                 |                        |                 |
| Equity shares ₹2 each                              | 3,66,50,276            | 733.01          | 3,66,50,276            | 733.01          |
| Add : Forfeited shares (amount originally paid up) |                        | 86.44           |                        | 86.44           |
|  | <b>3,66,50,276</b>     | <b>819.45</b>   | <b>3,66,50,276</b>     | <b>819.45</b>   |

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 15: SHARE CAPITAL (CONTD..)

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

##### Equity Shares

| Particulars                        | As at 31st March, 2019 |            | As at 31st March, 2018 |            |
|------------------------------------|------------------------|------------|------------------------|------------|
|                                    | No. of Shares          | ₹ In Lakhs | No. of Shares          | ₹ In Lakhs |
| At the beginning of the year       | 3,66,50,276            | 733.01     | 3,66,50,276            | 733.01     |
| Calls in arrears                   | -                      | -          | -                      | -          |
| Outstanding at the end of the year | 3,66,50,276            | 733.01     | 3,66,50,276            | 733.01     |

#### b. Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹2 per share. Each holder of equity shares is entitled one vote per share. The Company declares and pays dividends in Indian Rupees. The holder of equity shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share.

In the event of liquidation of the Company, the holders of 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. Details of shareholders holding more than 5% equity shares of the Company

| Name of Shareholders                | As at 31st March, 2019 |           | As at 31st March, 2018 |           |
|-------------------------------------|------------------------|-----------|------------------------|-----------|
|                                     | No. of Shares          | % holding | No. of Shares          | % holding |
| Client Rosehill Limited             | 35,21,575              | 9.61      | 35,21,575              | 9.61      |
| State Bank of India                 | 22,41,828              | 6.12      | 28,49,006              | 7.77      |
| Zoom Industrial Services Limited    | 25,00,000              | 6.82      | 25,00,000              | 6.82      |
| SPML India Limited                  | 21,19,055              | 5.78      | 21,19,055              | 5.78      |
| CVCIGP II Employee Rosehill Limited | 19,72,301              | 5.38      | 19,72,301              | 5.38      |

- d. No bonus shares or shares issued for consideration other than cash or shares bought back over the last five years immediately preceeding the reporting date.
- e. In Pursuance of the implementation 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. On Pledge of Shares held by Promoters of SPML Infra Ltd.:
- f. In terms of the “SPML S4A Scheme” as approved by the Overseeing Committee (governed under RBI) the entire debt of the Company as bifurcated into Part A Debt and Part B Debt together with all interest thereon shall be secured by pledge of entire unencumbered Shares of the Company (SPML) as held by existing Promoters in favour of SBICAP Trustee Ltd. (the Debenture Trustee) for the benefit of the S4A Lenders. The Promoters & the Promoter Group as on 31.03.2018 are collectively the legal and beneficial owners of 38.20% Shares of the Company. Accordingly, the Promoters of the Company had as on 31.03.2019 pledged 35.84% of the Shares as held by them in favour of the Debenture Trustee

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 16: OTHER EQUITY

₹ in Lakhs

| Particulars                                  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--|-------------------------|-------------------------|
| A. Capital reserve                           | 1,102.63                | 1,102.63                |
| B. Capital reserve on consolidation          | 2,612.88                | 1,961.17                |
| C. Securities premium account                | 16,171.43               | 16,171.44               |
| D. General reserve                           | 5,929.05                | 5,929.05                |
| E. Foreign Currency Translation Reserve      | 2,257.67                | (899.22)                |
| F. Other Comprehensive Income                | (180.39)                | 243.17                  |
| G. Retained Earnings (movements given below) | 13,300.46               | 21,164.48               |
| <b>Total - Other equity</b>                  | <b>41,193.73</b>        | <b>45,672.71</b>        |

### Movement in Retained Earnings

₹ in Lakhs

| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--|-------------------------|-------------------------|
| <b>Opening Balance</b>   | 21,164.48               | 14,397.12               |
| Add: Profit for the year   | 3,973.34                | 5,040.31                |
| Add: Adjustment on disposal of subsidiary  | -                       | 215.95                  |
| Add: On account of Minority Adjustment   | (1,278.76)              | -                       |
| Add: De-Console Profit/(Loss)  | 558.23                  | 1,511.10                |
| Add: Adjustment for Modified Retrospective Impact of Ind AS 115 as on 01.04.2018 | (10,143.53)             | -                       |
| Add: Other Adjustment  | (973.30)                | -                       |
| <b>Closing Balance</b>   | <b>13,300.46</b>        | <b>21,164.48</b>        |

### NOTE 17: BORROWINGS

₹ in Lakhs

| Particulars  | Non-current             |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Secured  |                         |                         |
| Term loans   |                         |                         |
| from banks (Refer note 17.1)   | 5,431.25                | 8,978.29                |
| from financial institutions (Refer note 17.2)                                    | 499.85                  | 1,111.53                |
| 0.01% Optionally Convertible Debentures  |                         |                         |
| from banks (Refer note 17.6)   | 52,858.17               | 52,855.37               |
| from financial institutions (Refer note 17.6 (c))                                | 1,677.00                | 1,681.83                |
| Deferred payment credits   |                         |                         |
| from banks (Refer note 17.3)   | -                       | 33.22                   |
| from others (Refer note 17.3)  | 70.35                   | 613.84                  |
| Unsecured  |                         |                         |
| Term loans   |                         |                         |
| from related parties (Refer note 17.5)   | 4,816.77                | 5,345.61                |
| from Body Corporate (Refer note 17.4)  | 2,266.14                | 2,859.88                |
| <b>Total</b>   | <b>67,619.53</b>        | <b>73,479.57</b>        |
| Current maturities of Long term Borrowings                                       | 5112.41                 | 9,468.70                |
| Less: Amount clubbed under "Other Current Financial Liabilities" (Refer Note 21) | (5,112.41)              | (9,468.70)              |
|  | <b>67,619.53</b>        | <b>73,479.57</b>        |



## **Notes to Financial Statements** as at and for the year ended March 31, 2019

### NOTE 17: BORROWINGS (CONTD..)

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

| Nature of securities   | Outstanding<br>(₹ in Lakhs) |                            | Nos. of installments<br>outstanding as on<br>March 31, 2019<br>(remaining) |         | Rate of<br>interest |
|--|-----------------------------|----------------------------|--|---------|---------------------|
|  | As at<br>March 31,<br>2019  | As at<br>March 31,<br>2018 | Quarterly  | Monthly |                     |
| The Loan is secured by hypothecation over all the current assets including receivables and inventory, and other free/non encumbered movable fixed assets of Allahabad Waste Processing Private Limited (both present and future) in any form and manner satisfactory to the Bank. An additional Corporate Guarantee of the Ultimate Holding Company is also given as security.   | -                           | 499.33                     | -  |         | BPLR +<br>4.15%     |
| First charge on all movable and immovable assets of the Company, present and future, equitable Mortgage created on Private land, assignment of all project contracts and documents in favour of the bank, charge on all future receivables and also personal guarantee of all the promoter directors of Awa Power Company Private Limited.   | 247.57                      | 497.95                     | 1  |         | BPLR +<br>3%        |
| First Charge on all movable and immovable assets of Iqu Power Company Private Limited, both present and future, equitable mortgage on Private land, assignment of all project contracts and documents in favour of the bank, charge on all future receivables, Corporate Guarantee of SPML Energy and personal guarantee of all the promoter directors of Iqu Power Company Private Limited.   | -                           | 158.68                     | -  |         | BPLR +<br>3 %       |
| 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.<br>Total overdue Loan amount as on 31st March, 2019 is ₹529 lakhs (including Interest). | 1,144.87                    | 1,194.83                   | 20   |         | BPLR +<br>4.75 %    |

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 17: BORROWINGS (CONTD..)

| Nature of securities   | Outstanding<br>(₹ in Lakhs) |                            | Nos. of installments<br>outstanding as on<br>March 31, 2019<br>(remaining) |         | Rate of<br>interest  |
|--|-----------------------------|----------------------------|--|---------|----------------------|
|  | As at<br>March 31,<br>2019  | As at<br>March 31,<br>2018 | Quarterly  | Monthly |                      |
| The said loan is secured by first Hypothecation charge over all the fixed Assets purchased out of bank finance present and future, assignment of all contract/licenses in connection with project, negative lien on the shares of the company and charge on carbon credit receivable. Second charge on the other fixed assets and collateral security of Madurai Municipal Waste Processing Company Private Limited given for Term Loan (first charge for the Term Loan). Personal guarantee of Mr. Sushil Kumar Sethi and Rishabh Sethi. Corporate guarantee of Ultimate Holding Company and SPML Utilities Limited.<br>Total overdue Loan amount as on 31st March, 2019 is ₹1,954.23 lakhs (including Interest).     | 1,280.00                    | 1,280.00                   | 15   |         | BPLR +<br>6.50 %     |
| The said loan is secured by hypothecation of all the current assets and other free/non- encumbered movable fixed assets of Mathura Nagar Waste Processing Company Private Limited, both present and future, in any form and manner satisfactory to the Bank and further backed by the corporate guarantee of Ultimate holding company.   | -                           | 70.00                      | -  |         | BPLR +<br>4.15 %     |
| The said loan is secured by hypothecation charge over the project assets which include civil work and electro - mechanical plant procured by Neogal Power Company Private Limited out of the said loan, Equitable Mortgage of land measuring 2.60 hectares, hypothecation charge over receivables of the Company, 33.04 lakhs shares of Neogal Power Company Private Limited held by Subhash Kabini Power Corporation Limited, second charge over the receivable of Subhash Kabini Power Corporation, further the personal guarantee of promoter directors have been given against the loan in addition to the corporate guarantee given by Subhash Kabini Power Corporation Limited and the Ultimate holding company. | -                           | 650.00                     | -  |         | Base Rate<br>+ 5.5 % |

## **Notes to Financial Statements** as at and for the year ended March 31, 2019

### NOTE 17: BORROWINGS (CONTD..)

| Nature of securities  | Outstanding<br>(₹ in Lakhs) |                            | Nos. of installments<br>outstanding as on<br>March 31, 2019<br>(remaining) |         | Rate of<br>interest |
|---|-----------------------------|----------------------------|--|---------|---------------------|
|   | As at<br>March 31,<br>2019  | As at<br>March 31,<br>2018 | Quarterly  | Monthly |                     |
| The said loan is secured by first charge and mortgage of all movable and immovable properties, both present and future of Subhash Kabini Power Corporation Limited, Equitable mortgage of Land and building, Trail Race Work, and capital work in progress of Kabini Hydro Power Project, hypothecation of Plant and Machinery, Furniture & fixture and Other equipment of the Company, pledge of 30% promoter shareholding in the company, pledge of Promoter's shareholding to the extent of 30% in two Associate Companies- Awa Power Company Private Limited and IQU Power Company Private Limited, The loan is also backed by the personal guarantee of the promotor director. | 2,513.39                    | 3,682.61                   | 6  |         | Base Rate<br>+ 3.5% |
| The said loan is secured by exclusive charge on the SJA Developers Private Limited's property at Worli, Mumbai, M/s Delhi Waste Management Limited and Mr Deepak Sethi as co-applicants and personal guarantee of promotor director.  | 585.97                      | 585.97                     |  | 120     | 9.45%               |
| a. Term loan of ₹31.25 lakhs carries (₹39 lakhs) interest @ 11.75 % p.a. (YBL + 1.50% p.a.) and is repayable in 5 quarterly instalments of ₹7.75 Lakhs each along with interest thereon starting from February 2019 and ending by February 2020. The said loan is secured by way of Subservient charge on all movable fixed assets and current assets (both present and future) of the Company. Further, loan is backed by the personal guarantee of the Chairman of the Company and pledge of shares of the Company by the promoters/ associates.  |                             |                            |  |         |                     |

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 17: BORROWINGS (CONTD..)

| Nature of securities  | Outstanding<br>(₹ in Lakhs) |                            | Nos. of installments<br>outstanding as on<br>March 31, 2019<br>(remaining) |         | Rate of<br>interest |
|---|-----------------------------|----------------------------|--|---------|---------------------|
|   | As at<br>March 31,<br>2019  | As at<br>March 31,<br>2018 | Quarterly  | Monthly |                     |
|   |                             |                            |  |         |                     |
| b. Corporate Loan of ₹3,999.41 lakhs (₹4,983.47 lakhs) from Consortium Member-Banks carries interest ranging from @ 12.65% p.a. to 14.45% 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 assets of the Company (both present and future) & movable machinery tangible & intangible movable assets (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 worth ₹5,000 lakhs . In addition, these loans are also secured by Personal Guarantee of two property owners to the extent of the value of the mortgaged properties as well as Personal Guarantees of the Promoters of the Company. | 4,199.19                    | 5,498.68                   |  |         |                     |
| c. As at the year ended March 31, 2019, the Ultimate Holding Company has defaulted in repayment of principal amount of loan and interest upto 90 days amounting to ₹193.64 lakhs and ₹10.89 lakhs, respectively; the default between 91 to 180 days amounted to NIL and NIL to banks and financial institutions.  |                             |                            |  |         |                     |
| Facilities availed from Union and UCO Bank are secured by first charge on Current Assets of SPM Holdings Pte Limited, Cash Margin by way of FDR under lien to Bank- Union Bank- 15% and UCO Bank- 18.33%. These facilities are also backed by Corporate Guarantee of Subhash Kabini Power Corporation Ltd (Holding Company) and Ultimate Holding Company, Personal guarantee of Mr Subhash Chand Sethi and Mr Harshvardhan Sethi.   | 6,551.72                    | 4,214.86                   |  |         |                     |
|   | <b>16,522.70</b>            | <b>18,332.91</b>           |  |         |                     |

## **Notes to Financial Statements** as at and for the year ended March 31, 2019

### NOTE 17: BORROWINGS (CONTD..)

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

- a. Loan of ₹499.85 lakhs (March 31, 2018: ₹1,111.53 lakhs) taken from a financial institution carries interest @ 13.00% p.a. (IBR +2.80% p.a. and is repayable in thirteen equated quarterly instalments by April 2021. The said loan is secured against an exclusive charge over the free hold property located at Faridabad, owned by SPML Industries Limited and corporate guarantee provided by SPML Industries limited. The said loan is also secured against an exclusive charge over company's landed property situated at village - Bucholai, Tehsil-Gangapur, Dist- Sawaimadhopur, Rajasthan, Pledge of shares of the Company held by Promoters/ Associates giving coverage of Loan amount. Further, loan is backed by the personal guarantees of Main Promoters, Corporate Guarantee & PDCs given by one of associates of the Company.

The loans referred above are secured against hypothecation of respective construction equipments.

- 17.3 Deferred payment credits from financial companies is secured against hypothecation of vehicle purchased against such loans which are repayable in 48 equated monthly installments carrying compounding interest rate of 10.81% p.a.

#### 17.4 Loan from Body Corporate:

- a. Loans from body corporates are repayable within a maximum period of 10 years

#### 17.5 Loan from Related Parties:

- a. ₹4816.77 lakhs (March 31, 2018: ₹5,345.62 lakhs) is repayable after one year and carries interest rate @12% p.a. to 18%

#### 17.6 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 ₹1000/- 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. OCDs issued under Series A, B, C & H 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) on (i) Hypothecation of Stocks and Book Debts of the Ultimate Holding Company, both present and future and all other current assets and non-current receivable (ii) Hypothecation of Plant and Machinery, Furniture & Fixtures and office equipment (iii) Lien on Fixed Deposit having issue value of ₹38 lakhs in favour of Lead Banks. These loans are additionally secured by the Personal Guarantee of three Promoter Directors 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.

- b. OCDs issued under Series D are secured by way of exclusive charge in favour of Yes Bank Ltd. on Pledge of shares of the Ultimate Holding Company held by Promoters/ Associates as well as subservient charge on moveable fixed assets and all current assets of the Company, both present and future. Further, these OCDs are also backed by Personal Guarantee of one Promoter of the Company.
- c. 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) & movable machinery tangible & intangible moveable assets (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 having market value of ₹50 Crores (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.
- d. 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

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 17: BORROWINGS (CONTD..)

Main Promoters, Corporate Guarantee and PDSs given by one of group entities of the Company.

- e. 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.
- f. 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.

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

In terms of the Scheme for Sustainable Structuring of Stressed Assets ("SPML S4A Scheme") as approved by the Super Majority of the Lender Banks with Reference Date as 22nd March, 2017 which was further agreed and approved by the Overseeing Committee (constituted under the aegis of the RBI) on 6th October, 2017 and by the Shareholders of the ultimate Holding Company at their meeting held on 20th November, 2017, the entire crystalized

fund-based debts of the Ultimate holding Company had been bifurcated into "Part A" i.e. sustainable part of debt to be serviced as per existing terms and conditions of those debts and "Part B" i.e. non-sustainable part of debt, which has been adjusted against by virtue of transfer of 7859575 Equity Shares as held by Promoters in the company to the extent of the principal of Proportionate loss sharing by Lenders in favour of the lender banks to entitle them to hold 21.44% stake in the company & balance of Part B debt converted into unlisted, unrated, redeemable 54,53,517 Optionally Convertible Debentures (OCDs) of ₹1000 each (carrying coupon rate @0.01 % p.a. with an YTM @8.15% p.a.) in favour of the lender Banks based on their subscription to the OCDs."

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

In the instant arrangement, 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. Further the quantum of the recompense amount would be ascertained/determined by the Steering Committee of Lenders within a period of one Month from the Final Redemption Date. However, the same is adjustable with the Upside Gain in the event the Debenture holders decide to sell the conversion shares (transferred/sold by Promoters to Lenders pursuant to the SPML S4A Scheme) at any time prior to the final settlement date. "

### NOTE 18 : TRADE PAYABLES

(at amortised cost)

| Particulars  | ₹ in Lakhs              |                         |                         |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | Non-current             |                         | Current                 |                         |
|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| <b>Trade Payables :</b>  |                         |                         |                         |                         |
| Total outstanding dues of creditors other than micro and small enterprises | 12,120.41               | 5,525.04                | 93,864.69               | 96,356.08               |
| Total outstanding dues of micro and small enterprises (Refer Note 35)      | -                       | -                       | 193.67                  | -                       |
| <b>Total Trade Payables</b>  | <b>12,120.41</b>        | <b>5,525.04</b>         | <b>94,058.36</b>        | <b>96,356.08</b>        |

- a) Trade payables are non-interest bearing and are normally settled on 60 days terms
- b) For terms and conditions with related parties (Refer note 38b)



## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 19 : PROVISION

| Particulars                     | Non-current    |                | Current        |                |
|---------------------------------|----------------|----------------|----------------|----------------|
|                                 | As at          | As at          | As at          | As at          |
|                                 | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| Provision for employee benefits |                |                |                |                |
| Gratuity (Refer Note 34)        | 563.74         | 708.60         | 173.24         | 5.32           |
| Compensated absences            | 0.04           | 2.13           | 11.79          | 126.88         |
| Provision for Expenses          | -              | -              | 10.32          | 10.20          |
| <b>Total</b>                    | <b>563.78</b>  | <b>710.73</b>  | <b>195.35</b>  | <b>142.40</b>  |

₹ in Lakhs

### NOTE 20 : BORROWINGS

| Particulars   | As at            | As at            |
|---|------------------|------------------|
|   | March 31, 2019   | March 31, 2018   |
| <b>From banks</b>   |                  |                  |
| <b>In Indian Rupee</b>  |                  |                  |
| Cash Credit and working capital facilities (refer note 20.1, 20.2 and 20.3 below) | 60,792.79        | 50,207.10        |
| <b>Unsecured</b>  |                  |                  |
| From Related Parties and Bodies Corporates (refer note 20.4, 20.5 and 38)         | 11,068.87        | 7,414.41         |
| <b>TOTAL</b>  | <b>71,861.66</b> | <b>57,621.51</b> |

₹ in Lakhs

**20.1.** Demand loans and 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 of ₹38 lakhs in favour of One member bank as a pari passu charge with other consortium banks along with exclusive charge in favour of the lead banker of fixed deposit amounting to ₹773 lakhs. 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 @ 11.70% to 16.25% p.a.

**20.2.** This Cash Credit facility from Punjab National Bank is secured by hypothecation of stock and book debts of ADD Technologies (India) Limited. Interest being paid as per bank lending rate (presently at the rate 9.50%).

**20.3.** Working Capital loan from NSIC Limited taken by ADD Technologies (India) Limited is Secured by Guarantee and carries interest @ 11% to 13.50% p.a.

**20.4.** Loan from related parties is repayable on demand and carry interest @ 0% to 18%.

**20.5.** Loans from bodies corporate carries interest @ 12% p.a to 18% p.a.

### NOTE 21 : OTHER FINANCIAL LIABILITIES

| Particulars  | Non-current    |                | Current        |                |
|--|----------------|----------------|----------------|----------------|
|  | As at          | As at          | As at          | As at          |
|  | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| Current maturities of long-term borrowings (Refer Note 17) | -              | -              | 5,112.41       | 9,468.70       |
| Advance from Customers                                     | 5,248.30       | 5,152.47       | 20,889.11      | 19,948.92      |
| Interest Accrued on mobilization advance                   | -              | -              | 1,685.14       | 2,852.54       |
| Interest accrued and due on borrowings                     | -              | -              | 1,697.10       | 1,527.54       |

₹ in Lakhs

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 21 : OTHER FINANCIAL LIABILITIES (CONTD..)

₹ in Lakhs

| Particulars                                | Non-current             |                         | Current                 |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Interest accrued and not due on borrowings | -                       | -                       | 46.34                   | 23.52                   |
| Unpaid dividend*                           | -                       | -                       | 0.97                    | 0.97                    |
| <b>Total</b>                               | <b>5,248.30</b>         | <b>5,152.47</b>         | <b>29,431.07</b>        | <b>33,822.19</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<br>March 31, 2019 | As at<br>March 31, 2018 |
|---------------------------|-------------------------|-------------------------|
| Statutory Dues payable    | 2,080.32                | 1,696.54                |
| Other Current Liabilities | 5,196.36                | 4,176.53                |
| <b>TOTAL</b>              | <b>7,276.68</b>         | <b>5,873.07</b>         |

### NOTE 23 : DEFERRED TAX ASSETS / (LIABILITIES)

₹ in Lakhs

| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--|-------------------------|-------------------------|
| <b>Deferred tax liabilities</b>                                      |                         |                         |
| Arising out of temporary difference in property, plant and equipment | -                       | 14.97                   |
| Arising due to Other temporary differences                           | -                       | -                       |
| <b>Gross Deferred tax liabilities</b>                                | <b>-</b>                | <b>14.97</b>            |
| <b>Deferred tax assets</b>   |                         |                         |
| Arising due to temporary differences due to Ind AS Adjustments       | 9,803.36                | 4,581.96                |
| Arising out of temporary difference in property, plant and equipment | 1,156.19                | 870.54                  |
| Others   | 212.96                  | 212.96                  |
| Brought Forward Losses   | 74.89                   | 74.89                   |
| Expenses disallowed under Income Tax Act                             | 12.50                   | 11.74                   |
| <b>Gross Deferred tax assets</b>                                     | <b>11,259.90</b>        | <b>5,752.09</b>         |

### Income tax expense in the Statement of profit and loss

₹ in Lakhs

| Particulars   | 2018-19         | 2017-18         |
|---|-----------------|-----------------|
| Current income tax charge                                     | 2,035.89        | 1,499.78        |
| Adjustments in respect of current income tax of previous year | 33.04           | 1.09            |
| MAT Credit utilisation  | 80.50           | (238.50)        |
| Deferred tax  | 335.17          | (127.27)        |
| <b>Total</b>  | <b>2,484.60</b> | <b>1,135.10</b> |

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 23 : DEFERRED TAX ASSETS / (LIABILITIES) (CONTD..)

#### Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

| ₹ in Lakhs   |                 |                 |
|--|-----------------|-----------------|
| Particulars  | 2018-19         | 2017-18         |
| Profit before tax  | 6,457.94        | 6,175.41        |
| At India's statutory income tax rate of 34.608% (31 March 2018: 34.608 %)    | 2,234.97        | 2,137.18        |
| Effect of Profit chargeable at different rate and disallowances under IT Act | (310.26)        | (592.67)        |
| Effect of tax on Elimination due to consolidation                            | 51.52           | 51.52           |
| Effect of Other income not chargeable to Income tax                          | 196.36          | 207.72          |
| Effect of share of Associates and Minority interest                          | (78.18)         | (245.46)        |
| Others   | (58.52)         | (58.52)         |
| <b>Income tax expense reported in the statement of profit and loss</b>       | <b>2,035.89</b> | <b>1,499.78</b> |

### NOTE 24 : REVENUE FROM OPERATIONS

| ₹ in Lakhs  |                    |                    |
|---|--------------------|--------------------|
| Particulars   | 2018-19            | 2017-18            |
| <b>Operating Revenue</b>                                  |                    |                    |
| Construction Contracts                                    | 1,20,799.63        | 1,12,367.64        |
| Trading sales   | 73,021.03          | 67,439.48          |
| Sale of Power   | 2,395.47           | 18,313.26          |
| Operation and maintenance                                 | 980.92             | 493.01             |
| Municipal Services  | 574.37             | 2,872.75           |
| Space Contract  | 1.03               | 48.23              |
| <b>Other operating revenue</b>                            |                    |                    |
| Interest Income as per arbitration awards (Refer Note 48) | 2,418.60           | 1,941.37           |
| Miscellaneous   | 961.03             | 1,472.25           |
| <b>TOTAL</b>  | <b>2,01,152.08</b> | <b>2,04,947.99</b> |

#### 24.1 Detail of Trading Sales

| ₹ in Lakhs     |                  |                  |
|----------------|------------------|------------------|
| Particulars    | 2018-19          | 2017-18          |
| Steel Products | 27,163.56        | 24,888.98        |
| Coal           | 45,857.47        | 42,550.50        |
| <b>TOTAL</b>   | <b>73,021.03</b> | <b>67,439.48</b> |

**24.2** 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-agregation of revenue has been presented.

#### 24.3 Contract balances

| ₹ in Lakhs           |                         |                         |
|----------------------|-------------------------|-------------------------|
| Particulars          | As at<br>March 31, 2019 | As at<br>April 01, 2018 |
| Trade receivables    | 97,065.55               | 96,445.90               |
| Contract assets      | 1,02,503.68             | 98,942.10               |
| Contract liabilities | 26,137.41               | 25,101.39               |

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 24 : REVENUE FROM OPERATIONS (CONTD..)

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, 2019 from April 01, 2018 is on account of changes in operations of the Company. Impairment loss recognized on trade receivables have been disclosed in note 6. 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<br>31st March 2019 |
| <b>Balance at the beginning of the year</b>   |  | <b>98,942.10</b>                      |
| Add: Revenue recognised during the year   |  | 74,403.07                             |
| Less: Amount received against contracts and invoicing of unbilled revenue during the year |  | (55,538.06)                           |
| Less: Adjustment for Modified Retrospective Impact of Ind AS 115 as on 01.04.2018         |  | (15,303.43)                           |
| <b>Balance at the end of the year</b>   |  | <b>1,02,503.68</b>                    |

Changes in contract liabilities are as follows:

|  |  | ₹ in Lakhs                            |
|--|--|---------------------------------------|
| Particulars  |  | For the year ended<br>31st March 2019 |
| <b>Balance at the beginning of the year</b>                          |  | <b>25,101.39</b>                      |
| Add: Amount Received against contract work commenced during the year |  | 12,198.02                             |
| Less: Revenue recognised during the year out of opening balance      |  | (11,162.00)                           |
| <b>Balance at the end of the year</b>                                |  | <b>26,137.41</b>                      |

### NOTE 25 : OTHER INCOME

|  |                 | ₹ in Lakhs      |
|--|-----------------|-----------------|
| Particulars  | 2018-19         | 2017-18         |
| Interest income on   |                 |                 |
| Loans given  | 372.38          | 359.44          |
| Bank deposits  | 926.03          | 972.47          |
| Income tax refund  | 880.90          | 7.73            |
| Others   | 866.42          | 689.62          |
| Sundry balances / liabilities written back (Refer Note 44) | 288.25          | 1,385.06        |
| Miscellaneous Income                                       | 3,177.74        | 2,656.41        |
| <b>Total</b>   | <b>6,511.72</b> | <b>6,070.74</b> |

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 26 : COST OF MATERIALS CONSUMED

|   | ₹ in Lakhs       |                  |
|---|------------------|------------------|
| Particulars   | 2018-19          | 2017-18          |
| <b>Construction materials and stores and spare consumed</b> |                  |                  |
| Inventory at the beginning of the year                      | 4,156.56         | 4,217.00         |
| Add: Purchases  | 56,395.13        | 41,037.10        |
|   | <b>60,551.69</b> | <b>45,254.10</b> |
| Less: Inventory at the end of the year                      | 4,390.35         | 4,156.56         |
|   | <b>56,161.34</b> | <b>41,097.54</b> |
| <b>Direct Expenses</b>                                      |                  |                  |
| Subcontractor charges                                       | 39,471.98        | 37,982.24        |
| Drawing and designing charges                               | 43.63            | 66.76            |
| Equipment hire and running charges                          | 268.41           | 375.94           |
| Cost of Energy Purchased                                    | -                | 14,161.35        |
| Other direct expenses                                       | 1,735.78         | 4,253.55         |
|   | <b>41,519.80</b> | <b>56,839.84</b> |
| <b>TOTAL</b>  | <b>97,681.14</b> | <b>97,937.38</b> |

### NOTE 27 : EMPLOYEE BENEFIT EXPENSES

|  | ₹ in Lakhs      |                 |
|--|-----------------|-----------------|
| Particulars                                | 2018-19         | 2017-18         |
| Salaries, Wages and Bonus                  | 5,549.17        | 6,478.23        |
| Contribution to Provident and Others Funds | 361.71          | 425.53          |
| Gratuity expense (Refer Note 34)           | 141.74          | 256.76          |
| Staff Welfare Expenses                     | 144.82          | 120.40          |
| <b>TOTAL</b>                               | <b>6,197.44</b> | <b>7,280.92</b> |

### NOTE 28 : DEPRECIATION

|                                   | ₹ in Lakhs      |                 |
|-----------------------------------|-----------------|-----------------|
| Particulars                       | 2018-19         | 2017-18         |
| Depreciation on Tangible assets   | 1,087.50        | 1,680.88        |
| Amortisation of Intangible Assets | 0.26            | 2.53            |
| <b>Total</b>                      | <b>1,087.76</b> | <b>1,683.41</b> |

### NOTE 29 : FINANCE COSTS

|   | ₹ in Lakhs       |                  |
|---|------------------|------------------|
| Particulars   | 2018-19          | 2017-18          |
| Interest (including interest on mobilisation advance amounting to ₹1,033.04 lakhs (31 March, 2018- ₹1,437.50 lakhs) | 16,034.17        | 21,254.47        |
| Other borrowing costs   | 29.36            | 102.66           |
| <b>Total</b>  | <b>16,063.53</b> | <b>21,357.13</b> |

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 30 : OTHER EXPENSES

| ₹ in Lakhs                                |                 |                  |
|---|-----------------|------------------|
| Particulars                               | 2018-19         | 2017-18          |
| Rent (Refer Note 33)                      | 559.47          | 648.68           |
| Rates and taxes                           | 94.38           | 120.97           |
| Repairs and maintenance:                  |                 |                  |
| Building                                  | 16.41           | 27.09            |
| Plant and machinery                       | 102.91          | 81.85            |
| Others                                    | 44.39           | 280.91           |
| Insurance                                 | 279.30          | 370.12           |
| Advertisement expenses                    | 9.14            | 45.28            |
| Professional charges and consultancy fees | 1,929.74        | 2,179.03         |
| Vehicle running charges                   | 342.22          | 439.22           |
| Travelling and conveyance                 | 644.73          | 782.16           |
| Communication expenses                    | 73.15           | 100.94           |
| Power and fuel                            | 118.05          | 166.06           |
| Charity and donations                     | 26.06           | 7.75             |
| Auditor's remuneration                    | 58.68           | 70.45            |
| Business promotion                        | 0.49            | 243.40           |
| Loss on sale of fixed assets (net)        | 1.22            | 86.33            |
| Bad debts / sundry balances written off   | 1,335.27        | 1,653.06         |
| Provision on Trade Receivables            | 446.66          | 1,023.18         |
| Miscellaneous expenses                    | 2,556.47        | 4,455.73         |
| <b>Total</b>                              | <b>8,638.74</b> | <b>12,782.21</b> |

### NOTE 31 : BASIS FOR CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE IS AS UNDER:

| ₹ in Lakhs   |             |             |
|--|-------------|-------------|
| Particulars  | 2018-19     | 2017-18     |
| Profit attributable to equity holders of the parent for basic earnings | 3,973.34    | 5,040.31    |
| Weighted average number of equity shares for basic EPS                 | 3,66,50,276 | 3,66,50,276 |
| Nominal value of equity per share (₹)                                  | 2           | 2           |
| Earnings per Share - Basic & Diluted (₹)                               | 10.84       | 13.75       |

### NOTE 32 : COMMITMENT AND CONTINGENCIES

#### a. Commitments

| ₹ in Lakhs   |                         |                         |
|--|-------------------------|-------------------------|
| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Estimated amount of contracts remaining to be executed on Capital Account (net of capital advance of ₹70,188.84 lakhs (31 March 2018: ₹140.86 lakhs) | 70,188.84               | 140.86                  |



## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 32 : COMMITMENT AND CONTINGENCIES (CONTD..)

#### b. Contingent liabilities -

| Particulars   | ₹ in Lakhs              |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Claims against the Group not acknowledged as debt   | 924.92                  | 1,026.82                |
| Claims towards liquidated damages not acknowledged as debts by the Group<br>(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.) | 13,825.58               | 14,061.10               |
| Outstanding Bank guarantees and letters of credit   | 886.00                  | 2,196.00                |
| Disputed demands  |                         |                         |
| (a) Income Tax  | 271.50                  | 1,334.41                |
| (b) Excise/ Service Tax *   | 23.13                   | 23.13                   |
| (c) Sales Tax / VAT *   | 2,707.91                | 3,734.58                |
| <b>Total</b>  | <b>18,639.04</b>        | <b>22,376.04</b>        |

\* In respect of above cases based on favourable decisions in similar cases/legal opinions taken by the Group/discussions with the solicitors etc., the management is of the opinion that it is possible, but not probable, that the action will succeed and accordingly no provision for liability has been made in the standalone financial statements.

#### c. Guarantees Given

| Particulars                                      | ₹ in Lakhs              |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Corporate guarantees given for body corporates   | 39,137.10               | 51,745.22               |
| Performance Guarantees given for body corporates | 8,726.22                | 10,193.95               |
| <b>Total</b>                                     | <b>47,863.32</b>        | <b>61,939.17</b>        |

### NOTE 33 : LEASES

#### Operating lease — Group as lessee

The Group leasing arrangement are in the nature of cancellable operating leases. The Group has taken various offices etc. on Operating Leases. These leases have a life of between 1 year to 20 years (31 March 2018 - 1 year to 20 year) which is renewable by mutual consent of concerned parties. No contingent rent is payable by the Group in respect of the above leases. There is no price escalation clause in the lease agreement. There are no restrictions placed upon the Group by such leases. The amount of rent expenses included in the Consolidated Statement of Profit and Loss towards operating leases aggregate to ₹559.47 lakhs (₹648.68 lakhs).

#### Operating lease — Group as lessor

The Group has entered into leasing arrangement in the nature of cancellable operating leases. The Group has given various offices etc. on Operating Leases. These leases have a life of between 1 year to 20 years (31 March 2018 - 1 year to 20 year) which is renewable by mutual consent of concerned parties. No contingent rent is payable to the Group in respect of the above leases. There is no price escalation clause in the lease agreement. The amount of rent income included in the Consolidated Statement of Profit and Loss towards operating leases aggregate to NIL (₹11.65 lakhs).

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 33 : LEASES (CONTD..)

#### Finance lease — Group as lessee

The Group has entered into Finance lease arrangement. The Group's obligations under finance leases are secured by the lessor's title to the leased assets. Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are, as follows:

|   | ₹ in Lakhs  |              |
|---|-------------|--------------|
| Minimum Lease Payments                      | 31-Mar-19   | 31-Mar-18    |
| Within one year                             | 2.31        | 32.42        |
| After one year but not more than five years | -           | -            |
| More than five years                        | -           | -            |
| <b>Total Minimum Lease Payments</b>         | <b>2.31</b> | <b>32.42</b> |
| Less: Amount representing Finance Charges   | -           | (1.99)       |
| <b>Present value of MLP</b>                 | <b>2.31</b> | <b>30.43</b> |

|  | ₹ in Lakhs  |              |
|--|-------------|--------------|
| Present value of Minimum Lease Payments              | 31-Mar-19   | 31-Mar-18    |
| Within one year                                      | 2.31        | 30.43        |
| After one year but not more than five years          | -           | -            |
| More than five years                                 | -           | -            |
| <b>Total Present value of Minimum Lease Payments</b> | <b>2.31</b> | <b>30.43</b> |

### 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               |                          |
|--|--------------------------|--------------------------|
|  | Gratuity Unfunded        |                          |
| Particulars  | As at<br>March 31 , 2019 | As at<br>March 31 , 2018 |
| <b>Changes in the present value of defined benefit obligation</b>        |                          |                          |
| <b>Present value of defined benefit obligation as at year beginning</b>  | <b>672.60</b>            | <b>468.92</b>            |
| Current Service Cost   | 109.55                   | 173.16                   |
| Interest Cost  | 58.49                    | 83.60                    |
| <b>Remeasurements (gains)/losses</b>                                     |                          |                          |
| Actuarial (gains)/losses arising from changes in demographic assumptions | 0.86                     | 20.16                    |
| Actuarial (gains)/losses arising from changes in financial assumptions   | (3.69)                   | (31.03)                  |
| Actuarial (gains)/losses arising from changes in experience adjustments  | (100.83)                 | (42.21)                  |
| <b>Present value of defined benefit obligation as at year end</b>        | <b>736.98</b>            | <b>672.60</b>            |

## Notes to Financial Statements

as at and for the year ended March 31, 2019

### NOTE 34 : EMPLOYEE BENEFIT OBLIGATION (CONTD..)

₹ in Lakhs

| Particulars                                     | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---|-------------------------|-------------------------|
| <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>       | -                       | -                       |

₹ in Lakhs

| Particulars   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|---|-------------------------|-------------------------|
| <b>Amounts Recognised in the Balance Sheet</b>              |                         |                         |
| Present value of defined benefit obligation at the year end | 736.98                  | 672.60                  |
| Fair Value of the Plan Assets at the year end               |                         |                         |
| <b>Liability/(Asset) Recognised in the Balance Sheet</b>    | <b>736.98</b>           | <b>672.60</b>           |

₹ in Lakhs

| Particulars  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|--|-------------------------|-------------------------|
| <b>Expense recognised in the Statement of Profit and Loss:</b> |                         |                         |
| Current Service Cost   | 109.55                  | 173.16                  |
| Net Interest Cost/(Income)                                     | 58.49                   | 83.60                   |
| <b>Net Cost Recognised in the Statement of Profit and Loss</b> | <b>168.04</b>           | <b>256.76</b>           |
| <b>Expense recognised in the Other Comprehensive Income:</b>   |                         |                         |
| Remeasurements (gains)/losses                                  | (103.65)                | (53.08)                 |
| <b>Net Cost Recognised in Other Comprehensive Income</b>       | <b>(103.65)</b>         | <b>(53.08)</b>          |

(i) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below

| Significant Actuarial Assumptions          | As at<br>March 31, 2019   | As at<br>March 31, 2018   |
|--|---|---|
| Discount rate                              | 7.70%   | 7.75%   |
| Mortality Rate                             | 100%  | 100%  |
| Withdrawal Rate                            | Varying between<br>8% per annum and<br>1% per annum<br>depending on<br>duration and age of<br>employees | Varying between<br>8% per annum and<br>1% per annum<br>depending on<br>duration and age of<br>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 March 31, 2019 |             | As at March 31, 2018 |             |
|--------------------------------------|----------------------|-------------|----------------------|-------------|
| Assumptions                          | Discount rate        |             | Discount rate        |             |
| Sensitivity Level                    | 1% increase          | 1% decrease | 1% increase          | 1% decrease |
| Impact on defined benefit obligation | 688.41               | 807.07      | 782.41               | 880.21      |

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 34 : EMPLOYEE BENEFIT OBLIGATION (CONTD..)

| ₹ in Lakhs                           |                      |             |                      |             |
|--------------------------------------|----------------------|-------------|----------------------|-------------|
| Particulars                          | As at March 31, 2019 |             | As at March 31, 2018 |             |
| Assumptions                          | Withdrawal rate      |             | Withdrawal rate      |             |
| Sensitivity Level                    | 1% increase          | 1% decrease | 1% increase          | 1% decrease |
| Impact on defined benefit obligation | 734.98               | 723.91      | 696.75               | 682.89      |

| ₹ in Lakhs                           |                      |             |                      |             |
|--------------------------------------|----------------------|-------------|----------------------|-------------|
| Particulars                          | As at March 31, 2019 |             | As at March 31, 2018 |             |
| Assumptions                          | Future Salary        |             | Future Salary        |             |
| Sensitivity Level                    | 1% increase          | 1% decrease | 1% increase          | 1% decrease |
| Impact on defined benefit obligation | 776.80               | 688.35      | 785.31               | 694.80      |

#### (iv) 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 fall 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.

(v) The Group expects to contribute ₹14.99 lakhs to Gratuity Fund next year

(vi) Maturity profile of the defined benefit obligation

| ₹ in Lakhs  |                         |                         |
|---|-------------------------|-------------------------|
| Particulars   | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Weighted Average duration of the defined benefit obligation | 6.54                    | 5.76                    |
| Expected benefit payments for the year ending               |                         |                         |
| Not Later than 1 year                                       | 21.24                   | 11.64                   |
| Later than 1 year and not later than 5 years                | 55.39                   | 165.82                  |
| More than 5 years   | 133.58                  | 146.77                  |

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 34 : EMPLOYEE BENEFIT OBLIGATION (CONTD..)

(b) Contribution to defined Contribution Plans recognised as expense are as under

| ₹ in Lakhs                                |         |         |
|---|---------|---------|
| Particulars                               | 2018-19 | 2017-18 |
| Contribution to Provident and other funds | 361.71  | 425.53  |

### NOTE 35 : BASED ON THE INFORMATION / DOCUMENTS AVAILABLE WITH THE COMPANY, 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<br>March 31, 2019 | As at<br>March 31, 2018 |
| 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  | 19.51                   | -                       |
| Interest   | 174.16                  | -                       |
| 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 | -                       | -                       |

The above information regarding micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the Group.

### NOTE 36 : IND AS 115 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group has adopted Ind AS 115 "Revenue from Contracts with Customers" based on modified restropective approach effective from April 1, 2018 whose impact is shown in the table below:

#### 36.1 The effect of adopting Ind AS 115 as at 1 April 2018 was as follows

| ₹ in Lakhs                         |                         |
|------------------------------------|-------------------------|
| Particulars                        | Increase/<br>(Decrease) |
| Deferred Tax Assets (Net)          | 5,368.34                |
| Contract asset                     | (15,511.86)             |
| <b>Total adjustments to Equity</b> | <b>(10,143.52)</b>      |

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 36 : IND AS 115 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTD..)

**36.2** Set out below, are the amounts by which each financial statement line item is affected as at and for the year ended 31 March 2019 as a result of the adoption of Ind AS 115. The first column shows amounts prepared under Ind AS 115 and the second column shows what the amounts would have been had Ind AS 115 not been adopted:

#### Statement of profit and loss for the year ended 31 March 2019

| Particulars  | 2018-19     |                 | ₹ in Lakhs              |
|--|-------------|-----------------|-------------------------|
|  | Ind AS 115  | Previous Ind AS | Increase/<br>(Decrease) |
| Revenue from contracts with customers                | 1,97,772.45 | 1,97,564.02     | 208.43                  |
| Profit before tax                                    | 6,457.94    | 6,249.51        | 208.43                  |
| Profit after tax as per statement of profit and loss | 3,973.34    | 3,810.58        | 162.76                  |
| Earnings per share of face value of ₹2 each.         | 10.84       | 10.40           | 0.44                    |
| Basic and Diluted - ₹                                |             |                 |                         |

#### 36.3 Balance sheet as at 31 March 2019

| Particulars               | March 31, 2019 |                 | ₹ in Lakhs              |
|---------------------------|----------------|-----------------|-------------------------|
|                           | Ind AS 115     | Previous Ind AS | Increase/<br>(Decrease) |
| Deferred Tax Assets (Net) | 11,259.90      | 5,891.56        | 5,368.34                |
| Contract assets           | 1,02,503.68    | 1,17,807.11     | (15,303.43)             |

### NOTE 37 : PRIMARY SEGMENT INFORMATION (BUSINESS SEGMENT)

| Sl No.   | Particulars                              | 2018-19            |                    | ₹ in Lakhs |
|----------|--|--------------------|--------------------|------------|
|          |  | 2018-19            | 2017-18            |            |
| <b>1</b> | <b>Segment revenue (gross)</b>           |                    |                    |            |
|          | a) Construction                          | 1,30,113.41        | 1,12,908.27        |            |
|          | b) Hydro Power Generation                | 2,816.04           | 2,050.72           |            |
|          | c) Waste Management                      | 704.01             | 3,032.77           |            |
|          | d) Trading                               | 73,021.03          | 68,450.58          |            |
|          | e) Others                                | 1,009.31           | 18,505.65          |            |
|          | <b>Net sales/ Income from operations</b> | <b>2,07,663.80</b> | <b>2,04,947.99</b> |            |
| <b>2</b> | <b>Income / (expenses)</b>               |                    |                    |            |
|          | <b>Depreciation / amortization</b>       |                    |                    |            |
|          | a) Construction                          | 371.97             | 773.84             |            |
|          | b) Hydro Power Generation                | 497.60             | 500.57             |            |
|          | c) Waste Management                      | 90.07              | 171.25             |            |
|          | d) Trading                               | -                  | -                  |            |
|          | e) Others                                | 128.11             | 237.75             |            |
|          | <b>Total</b>                             | <b>1,087.76</b>    | <b>1,683.41</b>    |            |
| <b>3</b> | <b>Segment Profit / (Loss)</b>           |                    |                    |            |
|          | a) Construction                          | 17,326.97          | 23,166.05          |            |
|          | b) Hydro Power Generation                | 1,373.33           | 543.79             |            |
|          | c) Waste Management                      | (323.00)           | (295.68)           |            |
|          | d) Trading                               | 1,530.77           | 2,605.64           |            |
|          | e) Others                                | (671.34)           | (516.51)           |            |
|          | <b>Total</b>                             | <b>19,236.73</b>   | <b>25,503.29</b>   |            |

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 37 : PRIMARY SEGMENT INFORMATION (BUSINESS SEGMENT) (CONTD..)

|          |                                  | ₹ in Lakhs         |                    |
|----------|----------------------------------|--------------------|--------------------|
| SI No.   | Particulars                      | 2018-19            | 2017-18            |
| <b>4</b> | <b>Segment Assets</b>            |                    |                    |
|          | a) Construction                  | 2,10,257.88        | 2,07,540.99        |
|          | b) Hydro Power Generation        | 21,157.21          | 20,808.85          |
|          | c) Waste Management              | 400.68             | 5,954.74           |
|          | d) Trading                       | 36,376.52          | 29,684.83          |
|          | e) Others                        | 17,729.60          | 18,388.65          |
|          | f) Unallocated                   | 63,641.73          | 54,338.37          |
|          | <b>Total Segment Assets</b>      | <b>3,49,563.62</b> | <b>3,36,716.43</b> |
| <b>5</b> | <b>Segment Liabilities</b>       |                    |                    |
|          | a) Construction                  | 59,371.08          | 49,169.42          |
|          | b) Hydro Power Generation        | 1,295.00           | 1,424.27           |
|          | c) Waste Management              | 750.18             | 1,404.16           |
|          | d) Trading                       | 46,728.22          | 44,219.65          |
|          | e) Others                        | 7,204.05           | 13,378.27          |
|          | f) Unallocated                   | 1,73,717.46        | 1,69,564.97        |
|          | <b>Total Segment Liabilities</b> | <b>2,89,065.99</b> | <b>2,79,160.74</b> |
| <b>6</b> | <b>Capital expenditure</b>       | <b>993.99</b>      | <b>1,535.64</b>    |

#### Reconciliation of amounts reflected in the financial statements

|        |  | ₹ in Lakhs       |                  |
|--------|--|------------------|------------------|
| SI No. | Particulars                              | 2018-19          | 2017-18          |
|        | <b>Segment profit</b>                    | <b>19,236.73</b> | <b>25,503.29</b> |
|        | <b>Less / (Add)</b>                      |                  |                  |
|        | i Finance Expenses - Net                 | 13,017.80        | 19,327.88        |
|        | ii Unallocable expenditure net of income | -                | -                |
|        | <b>Profit/Loss before tax</b>            | <b>6,218.93</b>  | <b>6,175.41</b>  |

#### (a) Revenue from external customers:

|        |               | ₹ in Lakhs         |                    |
|--------|---------------|--------------------|--------------------|
| SI No. | Particulars   | 2018-19            | 2017-18            |
|        | India         | 1,61,806.32        | 1,61,365.11        |
|        | Outside India | 45,857.47          | 43,582.88          |
|        | <b>Total</b>  | <b>2,07,663.80</b> | <b>2,04,947.99</b> |

#### (b) Non-current operating Assets:

|        |               | ₹ in Lakhs         |                    |
|--------|---------------|--------------------|--------------------|
| SI No. | Particulars   | March 31, 2019     | March 31, 2018     |
|        | India         | 1,23,579.26        | 1,15,626.00        |
|        | Outside India | -                  | -                  |
|        | <b>Total</b>  | <b>1,23,579.26</b> | <b>1,15,626.00</b> |



# **Notes to Financial Statements** as at and for the year ended March 31, 2019

## NOTE 38 : RELATED PARTIES

### (a) Particulars of Related Parties with whom transactions have taken place during the year

|  |  |
|--|--|
| <b>Associates Companies</b>  | Sanamti Infra Developers Private Limited<br>PT Vardhaman Mining Services<br>PT Vardhaman Logistics<br>Rabaan (S) Pte Limited<br>PT Bina Insan Sukses Mandiri<br>Bhilwara Jaipur Toll Road Private Limited<br>SPML Bhiwandi Water Supply Infra Limited<br>SPML Bhiwandi Water Supply Management Limited<br>Aurangabad Jal Constructions Private limited<br>Aurangabad Jal Supply Solution Private Limited |
| <b>Joint Operations</b>  | SPML-CISC JV<br>SPML - Simplex JV<br>SPML-HCIL JV<br>OM Metals Consortium JV<br>Siddharth- Mahaveer SPML -JV<br>SPML - OM Metals JV<br>M&P+Subhash JV<br>Suez Environment France & SPML Infra Ltd India JV<br>JWIL SPML JV   |
| <b>Joint Ventures</b>  | Malviya Nagar Water Services Pvt .Ltd<br>Hydro Comp Enterprises (India) Limited<br>Aurangabad City Water Utility Co. Limited<br>MVV Water Utility Private Limited<br>Gurha Thermal Power Co Ltd  |
| <b>Key Management Personnel (KMP)</b>  | Mr. Subhash Chand Sethi, Chairman<br>Mr. Sushil Kumar Sethi, Managing Director<br>Mr. Sujit Kumar Jhunjhunwala, Chief Financial Officer<br>Mr. Abhay Raj Singh, Company Secretary  |
| <b>Relatives of Key Management Personnel</b>   | Brother of Chairman & Managing Director<br>Son of Chairman<br>Mother of Chairman and Managing Director<br>Daughter of Managing Director<br>Wife of Chairman<br>Son of Chairman<br>Wife of Managing Director<br>Son of Managing Director<br>Daughter in law of Chairman<br>Son-in-law of Managing Director<br>Daughter in law of Chairman<br>Daughter in law of Managing Director                         |
| <b>Enterprises owned by KMP's or their relatives or where the KMP's have significantly influence</b> | Arihant Leasing & Holding Company Limited<br>ADD Realty Limited<br>Add Eco Enviornment Limited<br>ADD Industrial Park (TN) Limited<br>Bharat Hydro Power Corporation Limited<br>DWMG Software Private Limited<br>International Construction Limited<br>Latur Water Supply Managment Company Limited<br>Meena Holdings Limited<br>Meena ADD Charity Initiative Foundation                                 |

## **Notes to Financial Statements** as at and for the year ended March 31, 2019

### 38 : RELATED PARTIES (CONTD..)

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Niral Enterprises Private Limited  
 Om Metal-SPML Infra Project Private Limited  
 Pondicherry Sez Company Private Limited  
 Pondicherry Port Limited  
 POM POM Recycling Private Limited  
 Sanmati Corporate Investments Private Limited  
 Sanmati Power Company 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  
 Rishabh Homes Private Limited  
 Acropolis Properties Private Limited  
 Amrutha Constructions Private Limited  
 JWIL Infra Limited

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**Note:-** Related Party relationships as mentioned in the above list are determined by management based on nature of 'control' that the company exercises over the other companies.

# Notes to Financial Statements

as at and for the year ended March 31, 2019

## NOTE 38 : RELATED PARTIES (CONTD..)

### Related party transactions

#### (b) Aggregated Related party disclosures as at and for the year ended March 31, 2019

|   |                    | Transactions during the year |                              |               |               |                    |                    |                                |                              |                         |                   | Outstanding as on the Balance Sheet date |                     |                        | ₹ in Lakhs       |                 |
|---|--------------------|------------------------------|------------------------------|---------------|---------------|--------------------|--------------------|--------------------------------|------------------------------|-------------------------|-------------------|--|---------------------|------------------------|------------------|-----------------|
| Company Name                                  |                    | Sale of Goods & Services     | Purchase of Goods & Services | Interest Paid | Donation Paid | Interest Received  | Loan/Advance       |                                | Sale/transfer of Investments | Purchase of Investments | Rent Paid/Accrued | Managerial Remuneration/Salary           | Commission Received | Debit balance          | Credit balance   | Guarantee Given |
|   |                    |                              |                              |               |               |                    | Loan/Advance Taken | Repaid/Share Application Money |                              |                         |                   |  |                     |                        |                  |                 |
| ASSOCIATES COMPANIES                          |                    |                              |                              |               |               |                    |                    |                                |                              |                         |                   |  |                     |                        |                  |                 |
| Sanmati Infra Developers Private Limited      | 2018-19<br>2017-18 | -                            | -                            | -             | -             | -                  | 3.69               | -                              | -                            | -                       | -                 | -  | -                   | -                      | -                | -               |
|   |                    | -                            | -                            | -             | -             | (10.24)            | -                  | -                              | -                            | -                       | -                 | -  | -                   | (82.84)                | -                | -               |
| SPML Bhiwandi Water Supply Infra Limited      | 2018-19<br>2017-18 | -                            | -                            | -             | -             | 153.75<br>(147.68) | 5.46               | -                              | -                            | -                       | -                 | -  | -                   | 1,429.16<br>(1,290.26) | 93.80<br>(93.80) | -               |
| SPML Bhiwandi Water Supply Management Limited | 2018-19<br>2017-18 | -                            | -                            | -             | -             | 4.91<br>(4.32)     | -                  | -                              | -                            | -                       | -                 | -  | -                   | 68.20<br>(62.20)       | -                | -               |
| PT Bina Insan Sukes Mandiri                   | 2018-19<br>2017-18 | -                            | -                            | -             | -             | -                  | -                  | -                              | -                            | -                       | -                 | -  | -                   | -                      | -                | (3,649.81)      |
| JOINT VENTURES                                |                    |                              |                              |               |               |                    |                    |                                |                              |                         |                   |  |                     |                        |                  |                 |
| Malviya Nagar Water Services Private Limited  | 2018-19<br>2017-18 | -                            | -                            | -             | -             | -                  | -                  | -                              | -                            | -                       | -                 | -  | -                   | 450.16<br>(450.16)     | -                | -               |
| Gurha Thermal Power Company Limited           | 2018-19<br>2017-18 | -                            | -                            | -             | -             | 133.79<br>(120.26) | -                  | -                              | -                            | -                       | -                 | -  | -                   | 1,190.94<br>(1,070.53) | -                | -               |
| MVV Water Utility Private Limited             | 2018-19<br>2017-18 | -                            | -                            | -             | -             | 2.57<br>(2.57)     | 56.83<br>(31.15)   | 97.95<br>(54.65)               | -                            | -                       | -                 | -  | -                   | 416.04<br>(372.60)     | -                | -               |
| Aurangabad City Water Utility Company Limited | 2018-19<br>2017-18 | -                            | -                            | -             | -             | -                  | -                  | -                              | -                            | -                       | -                 | -  | -                   | 227.40<br>(227.40)     | -                | -               |
| Hydro Comp Enterprises (India) Limited        | 2018-19<br>2017-18 | -                            | -                            | -             | -             | -                  | -                  | 0.19<br>(0.31)                 | -                            | -                       | -                 | -  | -                   | 0.51<br>(131.80)       | -                | -               |
| JOINT OPERATIONS                              |                    |                              |                              |               |               |                    |                    |                                |                              |                         |                   |  |                     |                        |                  |                 |
| OM Metals Consortium JV                       | 2018-19<br>2017-18 | -                            | -                            | -             | -             | -                  | -                  | -                              | 718.46                       | -                       | -                 | -  | -                   | 200.00<br>(918.46)     | -                | -               |
| Siddahartha-Mahaveer SPML -JV                 | 2018-19<br>2017-18 | -                            | -                            | -             | -             | -                  | -                  | -                              | -                            | -                       | -                 | -  | -                   | 92.12<br>(88.27)       | -                | -               |
| SPML-CISC JV                                  | 2018-19<br>2017-18 | -                            | -                            | -             | -             | -                  | -                  | -                              | (3.88)                       | -                       | -                 | -  | -                   | 3.37<br>(3.37)         | -                | -               |
| SPML-HCIL JV                                  | 2018-19<br>2017-18 | -                            | -                            | -             | -             | -                  | -                  | -                              | (16.69)                      | -                       | -                 | -  | -                   | 58.16<br>(40.60)       | -                | -               |

# Notes to Financial Statements

as at and for the year ended March 31, 2019

## NOTE 38 : RELATED PARTIES (CONTD..)

|   |         | Transactions during the year |                              |               |               |                   |                    |   |                              |                         |                   | Outstanding as on the Balance Sheet date |                     |               | ₹ in Lakhs     |                 |   |
|---|---------|------------------------------|------------------------------|---------------|---------------|-------------------|--------------------|---|------------------------------|-------------------------|-------------------|--|---------------------|---------------|----------------|-----------------|---|
| Company Name  |         | Sale of Goods & Services     | Purchase of Goods & Services | Interest Paid | Donation Paid | Interest Received | Loan/Advance Taken | Loan/Advance Repaid/Share Application Money | Sale/transfer of Investments | Purchase of Investments | Rent Paid/Accrued | Managerial Remuneration/ Salary          | Commission Received | Debit balance | Credit balance | Guarantee Given |   |
| SUEZ -SPML JV   | 2018-19 | 1,660.53                     | -                            | -             | -             | -                 | -                  | -   | -                            | -                       | -                 | -  | -                   | 448.58        | -              | -               |   |
|   | 2017-18 | (1,625.39)                   | -                            | -             | -             | -                 | -                  | -   | -                            | -                       | -                 | -  | -                   | (805.67)      | -              | -               |   |
|   | 2018-19 | -                            | -                            | -             | -             | -                 | -                  | -   | -                            | -                       | -                 | -  | -                   | 31.34         | -              | -               |   |
|   | 2017-18 | -                            | -                            | -             | -             | -                 | -                  | -   | -                            | (2.73)                  | -                 | -  | -                   | (31.34)       | -              | -               |   |
|   | 2018-19 | -                            | -                            | -             | -             | -                 | -                  | -   | -                            | -                       | -                 | -  | -                   | 435.20        | -              | -               |   |
|   | 2017-18 | -                            | -                            | -             | -             | -                 | -                  | -   | -                            | (1.51)                  | -                 | -  | -                   | (435.20)      | -              | -               |   |
|   | 2018-19 | -                            | -                            | -             | -             | -                 | 3.98               | 0.75  | -                            | -                       | -                 | -  | -                   | -             | 314.79         | -               |   |
|   | 2017-18 | -                            | -                            | -             | -             | -                 | (76.41)            | (88.96)                                     | -                            | -                       | -                 | -  | -                   | -             | (311.56)       | -               |   |
| KEY MANAGEMENT PERSONNEL (KMP)  |         |                              |                              |               |               |                   |                    |   |                              |                         |                   |  |                     |               |                |                 |   |
| Mr. Subhash Chand Sethi   | 2018-19 | -                            | -                            | -             | -             | -                 | 9.00               | 56.30                                       | -                            | -                       | -                 | 188.69                                   | -                   | -             | 197.08         | -               |   |
|   | 2017-18 | -                            | -                            | -             | -             | -                 | (19.50)            | (158.33)                                    | -                            | -                       | -                 | (113.14)                                 | -                   | -             | (202.67)       | -               |   |
| Mr. Sushil Kumar Sethi  | 2018-19 | -                            | -                            | 15.48         | -             | -                 | 95.85              | 207.09                                      | -                            | -                       | -                 | 188.65                                   | -                   | -             | 162.35         | -               |   |
|   | 2017-18 | -                            | -                            | (12.50)       | -             | -                 | -                  | (0.40)                                      | -                            | -                       | -                 | (119.14)                                 | -                   | -             | (110.85)       | -               |   |
| Mr. Sujit Kumar Jhunjhunwala  | 2018-19 | -                            | -                            | -             | -             | -                 | -                  | -   | -                            | -                       | -                 | 26.09                                    | -                   | -             | -              | -               |   |
|   | 2017-18 | -                            | -                            | -             | -             | -                 | -                  | -   | -                            | -                       | -                 | (22.73)                                  | -                   | -             | -              | -               |   |
| Mr. Abhay Raj Singh   | 2018-19 | -                            | -                            | -             | -             | -                 | -                  | -   | -                            | -                       | -                 | 24.00                                    | -                   | -             | -              | -               |   |
|   | 2017-18 | -                            | -                            | -             | -             | -                 | -                  | -   | -                            | -                       | -                 | (24.15)                                  | -                   | -             | -              | -               |   |
| RELATIVES OF KEY MANAGEMENT PERSONNEL                                   |         |                              |                              |               |               |                   |                    |   |                              |                         |                   |  |                     |               |                |                 |   |
| Mr. Anil Kumar Sethi  | 2018-19 | -                            | -                            | 8.64          | -             | -                 | -                  | -   | -                            | -                       | -                 | -  | -                   | -             | 49.26          | -               |   |
|   | 2017-18 | -                            | -                            | (8.64)        | -             | -                 | (12.00)            | (12.00)                                     | -                            | -                       | -                 | (63.00)                                  | -                   | -             | (48.00)        | -               |   |
| Mr. Harshvardhan Sethi  | 2018-19 | -                            | -                            | -             | -             | -                 | 46.60              | -   | -                            | -                       | -                 | -  | -                   | -             | 40.60          | -               |   |
|   | 2017-18 | -                            | -                            | -             | -             | -                 | -                  | (6.00)                                      | -                            | -                       | -                 | -  | -                   | (6.00)        | -              | -               |   |
| Mrs. Shilpa Sethi   | 2018-19 | -                            | -                            | -             | -             | -                 | -                  | -   | -                            | -                       | -                 | 12.06                                    | -                   | -             | 0.84           | -               |   |
|   | 2017-18 | -                            | -                            | -             | -             | -                 | -                  | -   | -                            | -                       | -                 | (12.06)                                  | -                   | -             | (0.86)         | -               |   |
| Mrs. Vineeta Sethi  | 2018-19 | -                            | -                            | 21.78         | -             | -                 | -                  | 15.50                                       | -                            | -                       | -                 | -  | -                   | -             | 124.17         | -               |   |
|   | 2017-18 | -                            | -                            | (21.78)       | -             | -                 | (15.50)            | -   | -                            | -                       | -                 | -  | -                   | -             | (136.50)       | -               |   |
| Mrs. Preeti Devi Sethi  | 2018-19 | -                            | -                            | 3.78          | -             | -                 | -                  | -   | -                            | -                       | 12.00             | -  | -                   | -             | 47.88          | -               |   |
|   | 2017-18 | -                            | -                            | (3.78)        | -             | -                 | -                  | -   | -                            | -                       | (14.16)           | -  | -                   | -             | (41.63)        | -               |   |
| Mr. Abhinandan Sethi  | 2018-19 | -                            | -                            | -             | -             | -                 | -                  | -   | -                            | -                       | -                 | -  | -                   | -             | 1.30           | -               |   |
|   | 2017-18 | -                            | -                            | -             | -             | -                 | -                  | (8.07)                                      | -                            | -                       | -                 | -  | -                   | -             | -              | -               |   |
| Mr. Deepak Sethi  | 2018-19 | -                            | -                            | 0.93          | -             | -                 | 30.00              | 30.00                                       | -                            | -                       | -                 | 116.88                                   | -                   | -             | 10.87          | -               |   |
|   | 2017-18 | -                            | -                            | -             | -             | -                 | -                  | -   | -                            | -                       | -                 | -  | -                   | -             | -              | -               |   |
| ENTERPRISES OWNED OR SIGNIFICANTLY INFLUENCED BY KMP OR THEIR RELATIVES |         |                              |                              |               |               |                   |                    |   |                              |                         |                   |  |                     |               |                |                 |   |
| Add eco Environment   | 2018-19 | -                            | -                            | 0.95          | -             | -                 | 18.75              | 10.97                                       | -                            | -                       | -                 | -  | -                   | -             | -              | -               | - |
|   | 2017-18 | -                            | -                            | (1.35)        | -             | -                 | -                  | -   | -                            | -                       | -                 | -  | -                   | -             | (6.92)         | -               | - |
| ADD Industrial Park (TN) Limited  | 2018-19 | -                            | -                            | -             | -             | 0.72              | -                  | -   | -                            | -                       | -                 | -  | -                   | -             | -              | -               | - |
|   | 2017-18 | -                            | -                            | -             | -             | -                 | (0.20)             | (0.22)                                      | -                            | (229.00)                | -                 | -  | -                   | (229.00)      | -              | -               | - |

# Notes to Financial Statements

as at and for the year ended March 31, 2019

## NOTE 38 : RELATED PARTIES (CONTD..)

| Company Name  | Sale of Goods & Services | Purchase of Goods & Services | Interest Paid | Donation Paid | Interest Received | Transactions during the year |                                |                               | Purchase of Investments | Rent Paid/ Accrued | Managerial Remuneration/ Salary | Commission Received | Outstanding as on the Balance Sheet date |                | ₹ in Lakhs |
|---|--------------------------|------------------------------|---------------|---------------|-------------------|------------------------------|--------------------------------|-------------------------------|-------------------------|--------------------|---------------------------------|---------------------|--|----------------|------------|
|   |                          |                              |               |               |                   | Loan/ Advance Taken          | Loan/ Repaid/Share Application | Sale/ transfer of Investments |                         |                    |                                 |                     | Debit balance                            | Credit balance |            |
| ADD Realty Ltd.   | 2018-19                  | -                            | -             | -             | 1.05              | 44.47                        | 44.47                          | -                             | 371.25                  | -                  | -                               | -                   | -  | -              | -          |
|   | 2017-18                  | -                            | -             | -             | -                 | (70.50)                      | -                              | -                             | (84.50)                 | -                  | -                               | -                   | (84.50)                                  | -              | -          |
| Arihant Leasing & Holding Limited                               | 2018-19                  | -                            | -             | -             | -                 | -                            | 33.80                          | -                             | -                       | 6.00               | -                               | -                   | -  | 50.37          | -          |
|   | 2017-18                  | -                            | -             | -             | -                 | (32.25)                      | -                              | -                             | -                       | (6.00)             | -                               | -                   | -  | (84.17)        | -          |
| Bharat Hydro Power Corporation Limited                          | 2018-19                  | -                            | 36.25         | -             | 7.76              | 81.00                        | 610.89                         | -                             | 364.04                  | -                  | -                               | -                   | 159.71                                   | 204.51         | -          |
|   | 2017-18                  | -                            | (285.87)      | -             | -                 | (8.50)                       | (39.24)                        | (2,259.67)                    | -                       | -                  | -                               | -                   | -  | (884.20)       | -          |
| DWMG Software Private Limited                                   | 2018-19                  | -                            | -             | -             | 3.07              | -                            | -                              | -                             | -                       | -                  | -                               | -                   | 19.82                                    | -              | -          |
|   | 2017-18                  | -                            | -             | -             | (2.39)            | -                            | (7.20)                         | -                             | -                       | -                  | -                               | -                   | (17.06)                                  | -              | -          |
| International Construction Limited                              | 2018-19                  | -                            | 0.46          | -             | 0.04              | 10.25                        | 19.46                          | -                             | -                       | -                  | -                               | -                   | 1,046.20                                 | -              | -          |
|   | 2017-18                  | -                            | (14.75)       | -             | (45.45)           | (6.00)                       | (27.05)                        | -                             | -                       | -                  | -                               | -                   | (1,043.96)                               | -              | -          |
| Latur Water Supply Management Company Limited                   | 2018-19                  | -                            | -             | -             | -                 | -                            | -                              | -                             | -                       | -                  | -                               | -                   | -  | -              | -          |
|   | 2017-18                  | -                            | -             | -             | -                 | -                            | -                              | -                             | -                       | -                  | -                               | -                   | (626.23)                                 | -              | -          |
| Meena ADD Charity Initiative Foundation                         | 2018-19                  | -                            | -             | 2.50          | -                 | -                            | -                              | -                             | -                       | -                  | -                               | -                   | -  | -              | -          |
|   | 2017-18                  | -                            | -             | -             | -                 | -                            | -                              | -                             | -                       | -                  | -                               | -                   | -  | -              | -          |
| Meena Holdings Limited  | 2018-19                  | -                            | 5.63          | -             | -                 | 40.99                        | 81.19                          | -                             | -                       | -                  | -                               | -                   | 0.77                                     | 17.84          | -          |
|   | 2017-18                  | (16.10)                      | -             | -             | -                 | -                            | -                              | -                             | -                       | -                  | -                               | -                   | (8.75)                                   | -              | -          |
| Niral Enterprises Private Limited                               | 2018-19                  | -                            | 147.35        | -             | -                 | -                            | 26.66                          | -                             | -                       | -                  | -                               | -                   | -  | 1,298.46       | -          |
|   | 2017-18                  | -                            | (136.63)      | -             | -                 | -                            | (23.70)                        | -                             | -                       | -                  | -                               | -                   | -  | (1,192.50)     | -          |
| Peacock Pearl Business Solution Private Limited                 | 2018-19                  | -                            | -             | -             | -                 | -                            | -                              | -                             | -                       | -                  | -                               | -                   | 0.13                                     | -              | -          |
|   | 2017-18                  | -                            | -             | -             | -                 | -                            | (0.02)                         | -                             | -                       | -                  | -                               | -                   | (0.13)                                   | -              | -          |
| Chahel Infrastructure Limited (formerly : Pondicherry Port Ltd) | 2018-19                  | -                            | -             | -             | -                 | -                            | -                              | -                             | -                       | -                  | -                               | -                   | -  | -              | -          |
|   | 2017-18                  | -                            | -             | -             | -                 | -                            | (2.24)                         | -                             | -                       | -                  | -                               | -                   | (577.08)                                 | -              | -          |
| Pondicherry Sez Company Private Limited                         | 2018-19                  | -                            | 96.15         | -             | -                 | -                            | 35.00                          | -                             | -                       | -                  | -                               | -                   | -  | 824.31         | -          |
|   | 2017-18                  | -                            | (95.22)       | -             | -                 | -                            | (36.50)                        | -                             | -                       | -                  | -                               | -                   | -  | (772.77)       | -          |
| POM POM Recycling Private Limited                               | 2018-19                  | -                            | -             | -             | -                 | -                            | 7.03                           | -                             | -                       | -                  | -                               | -                   | 170.75                                   | -              | -          |
|   | 2017-18                  | (0.51)                       | -             | -             | -                 | -                            | -                              | -                             | -                       | -                  | -                               | -                   | (163.72)                                 | -              | -          |
| Sannati Power Company Private Limited                           | 2018-19                  | -                            | -             | -             | -                 | -                            | -                              | -                             | -                       | -                  | -                               | -                   | 251.25                                   | -              | -          |
|   | 2017-18                  | -                            | -             | -             | -                 | -                            | -                              | -                             | -                       | -                  | -                               | -                   | (251.25)                                 | -              | -          |
| Sethi Infratech Private Limited                                 | 2018-19                  | -                            | 0.01          | -             | -                 | -                            | -                              | -                             | -                       | -                  | -                               | -                   | -  | 0.07           | -          |
|   | 2017-18                  | -                            | (0.01)        | -             | -                 | -                            | (0.04)                         | -                             | -                       | -                  | -                               | -                   | -  | (0.06)         | -          |
| VidyaEdutech Private Limited                                    | 2018-19                  | -                            | -             | -             | 0.32              | 2.68                         | -                              | -                             | -                       | -                  | -                               | -                   | 0.32                                     | -              | -          |
|   | 2017-18                  | -                            | -             | -             | -                 | -                            | -                              | -                             | -                       | -                  | -                               | -                   | (2.68)                                   | -              | -          |

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 38 : RELATED PARTIES (CONTD..)

| Company Name                          | Transactions during the year |                              |               |               |                   |                    |   |                              |                         |                   | Outstanding as on the Balance Sheet date |                     |               |                | ₹ in Lakhs |
|---------------------------------------|------------------------------|------------------------------|---------------|---------------|-------------------|--------------------|---|------------------------------|-------------------------|-------------------|--|---------------------|---------------|----------------|------------|
|                                       | Sale of Goods & Services     | Purchase of Goods & Services | Interest Paid | Donation Paid | Interest Received | Loan/Advance Taken | Loan/Advance Repaid/Share Application Money | Sale/transfer of Investments | Purchase of Investments | Rent Paid/Accrued | Managerial Remuneration/Salary           | Commission Received | Debit balance | Credit balance |            |
| SPM Engineers Limited                 | 2018-19                      | -                            | -             | 3.84          | -                 | -                  | -   | -                            | 773.45                  | -                 | -  | -                   | -             | 33.03          | -          |
| SPML India Limited                    | 2017-18                      | -                            | -             | (89.22)       | -                 | -                  | -   | -                            | (12.00)                 | -                 | -  | -                   | -             | (32.77)        | -          |
|                                       | 2018-19                      | -                            | -             | 101.94        | -                 | -                  | 170.00                                      | 420.25                       | -                       | -                 | -  | -                   | -             | 734.72         | -          |
|                                       | 2017-18                      | -                            | -             | (93.08)       | -                 | -                  | (180.00)                                    | (100.00)                     | -                       | -                 | -  | -                   | -             | (893.22)       | -          |
|                                       | 2018-19                      | -                            | -             | 193.28        | -                 | -                  | 675.00                                      | 852.21                       | -                       | -                 | -  | -                   | -             | 1,377.13       | -          |
| SPML Industries Limited               | 2017-18                      | -                            | -             | (141.13)      | -                 | -                  | (593.00)                                    | (32.55)                      | (104.00)                | -                 | -  | -                   | -             | (1,380.39)     | -          |
|                                       | 2018-19                      | -                            | -             | 26.31         | -                 | -                  | 343.00                                      | 17.96                        | -                       | -                 | -  | -                   | -             | 356.61         | -          |
|                                       | 2017-18                      | -                            | -             | -             | -                 | -                  | -   | -                            | -                       | (15.63)           | -  | -                   | -             | (7.89)         | -          |
|                                       | 2018-19                      | -                            | -             | 77.28         | -                 | -                  | 75.00                                       | 1,630.52                     | -                       | -                 | -  | -                   | -             | 20.32          | -          |
| Zoom Industrial Services Limited      | 2017-18                      | -                            | -             | (172.11)      | -                 | -                  | -   | (26.61)                      | -                       | -                 | -  | -                   | -             | (1,506.28)     | -          |
|                                       | 2018-19                      | -                            | -             | 0.00          | -                 | 0.01               | -   | 0.18                         | -                       | -                 | -  | -                   | 0.16          | -              | -          |
|                                       | 2017-18                      | -                            | -             | -             | -                 | -                  | -   | -                            | -                       | -                 | -  | -                   | -             | (0.02)         | -          |
|                                       | 2018-19                      | 3,063.73                     | -             | -             | -                 | -                  | -   | -                            | -                       | -                 | -  | -                   | 1,309.00      | -              | -          |
| Amrutha Constructions Private Limited | 2017-18                      | -                            | -             | -             | -                 | -                  | -   | -                            | -                       | -                 | -  | -                   | -             | -              | -          |
|                                       | 2018-19                      | -                            | 9,346.43      | -             | -                 | 182.49             | 3,568.56                                    | 554.60                       | 0.49                    | -                 | -  | -                   | 3,204.03      | -              | -          |
|                                       | 2017-18                      | -                            | -             | -             | -                 | -                  | -   | -                            | -                       | -                 | -  | -                   | -             | -              | -          |
|                                       | 2018-19                      | -                            | -             | -             | -                 | -                  | 1.08  | -                            | -                       | -                 | -  | -                   | 1.08          | -              | -          |
| Acropolis Properties Private Limited  | 2017-18                      | -                            | -             | -             | -                 | -                  | -   | -                            | -                       | -                 | -  | -                   | -             | -              | -          |

#### Note:

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

| Particulars                    | ₹ in Lakhs    |               |
|--------------------------------|---------------|---------------|
|                                | 2018-19       | 2017-18       |
| - Short-term employee benefits | 410.14        | 276.28        |
| - Post employment benefits     | 17.28         | 2.88          |
|                                | <b>427.42</b> | <b>279.16</b> |

\* 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:

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash except as otherwise mentioned.

# Notes to Financial Statements

as at and for the year ended March 31, 2019

## NOTE 39.1 : Categorization of Financial Instruments

₹ in Lakhs

| Particulars                                    | Carrying value/ Fair value |                         |
|--|----------------------------|-------------------------|
|  | As at<br>March 31, 2019    | As at<br>March 31, 2018 |
| <b>(i) Financial Assets</b>                    |                            |                         |
| <b>a) Measured at FVOCI</b>                    |                            |                         |
| - Investments in Equity Instruments            | 1,288.88                   | 1,927.03                |
| <b>b) Measured at FVTPL</b>                    |                            |                         |
| - Investments in Equity and Debt Instruments   | 2,781.56                   | 2,760.61                |
| <b>c) Measured at Amortised Cost*</b>          |                            |                         |
| - Investments in Joint Ventures and Associates | 13,107.25                  | 10,536.79               |
| - Loans  | 6,389.30                   | 8,175.60                |
| - Trade Receivables                            | 97,065.55                  | 96,445.89               |
| - Other Financial Assets                       | 1,11,040.84                | 1,06,190.55             |
| - Cash and Cash Equivalents                    | 3,685.41                   | 2,480.62                |
| - Other Bank Balances                          | 8,452.27                   | 10,050.94               |
| <b>(ii) Financial Liabilities</b>              |                            |                         |
| <b>a) Measured at Amortised Cost*</b>          |                            |                         |
| - Borrowings (Secured and Unsecured)           | 1,39,481.19                | 1,31,101.08             |
| - Trade Payables                               | 1,06,178.77                | 1,01,881.12             |
| - Other Financial Liabilities                  | 34,679.37                  | 38,974.66               |

\*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.

## 39.2 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 31 March 2019

₹ in Lakhs

|  | Level 1 | Level 2 | Level 3  | Total           |
|--|---------|---------|----------|-----------------|
| <b>Financial Assets</b>                    |         |         |          |                 |
| <b>Investment at FVTPL</b>                 |         |         |          |                 |
| Investments in Equity and Debt Instruments | -       | -       | 2,781.56 | <b>2,781.56</b> |
| <b>Investment at FVOCI</b>                 |         |         |          |                 |
| Investment in Equity Instruments           | -       | -       | 1,288.88 | <b>1,288.88</b> |



## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 39.2 : Fair Value Hierarchy (Contd..)

#### Financial assets and liabilities measured at fair value at 31 March 2018

|  | Level 1 | Level 2 | Level 3  | ₹ in Lakhs<br>Total |
|--|---------|---------|----------|---------------------|
| <b>Financial Assets</b>                    |         |         |          |                     |
| <b>Investment at FVTPL</b>                 |         |         |          |                     |
| Investments in Equity and Debt Instruments | -       | -       | 2,760.61 | <b>2,760.61</b>     |
| <b>Investment at FVOCI</b>                 |         |         |          |                     |
| Investment in Equity Instruments           | -       | -       | 1,927.03 | <b>1,927.03</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 40 : FINANCIAL RISK MANAGEMENT OBJECTIVES 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.

#### 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.

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 40 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD..)

- 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.

|                  |   | ₹ in Lakhs     |                |
|------------------|---|----------------|----------------|
| Credit Rating    | Particulars   | March 31, 2019 | March 31, 2018 |
| Low Credit Risk  | Cash and cash equivalents, other bank balances, investments, loans and other financial assets | 1,14,320.99    | 1,08,326.32    |
| High Credit Risk | Loans and Trade Receivables   | 1,25,419.63    | 1,25,554.07    |

#### 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:

March 31, 2019

|                           |  | ₹ in Lakhs           |   |
|---------------------------|--|----------------------|---|
| Particulars               | Estimated Gross Carrying amount at default | Expected Credit Loss | Carrying amount net of Impairment Provision |
| Investments               | 13,107.25                                  | -                    | 13,107.25                                   |
| Trade Receivables         | 1,15,068.35                                | 18,002.80            | 97,065.55                                   |
| Loans                     | 6,389.30                                   | -                    | 6,389.30                                    |
| Cash and cash Equivalents | 3,685.41                                   | -                    | 3,685.41                                    |
| Other Bank Balances       | 8,452.27                                   | -                    | 8,452.27                                    |
| Other Financial Assets    | 1,11,040.84                                | -                    | 1,11,040.84                                 |

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 40 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD..)

March 31, 2018

| ₹ in Lakhs                |  |                      |   |
|---------------------------|--|----------------------|---|
| Particulars               | Estimated Gross Carrying amount at default | Expected Credit Loss | Carrying amount net of Impairment Provision |
| Investments               | 10,536.79                                  | -                    | 10,536.79                                   |
| Trade Receivables         | 1,15,384.14                                | 18,938.26            | 96,445.89                                   |
| Loans                     | 8,175.60                                   | -                    | 8,175.60                                    |
| Cash and cash Equivalents | 2,480.62                                   | -                    | 2,480.62                                    |
| Other Bank Balances       | 10,050.94                                  | -                    | 10,050.94                                   |
| Other Financial Assets    | 1,06,190.55                                | -                    | 1,06,190.55                                 |

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, 2017</b>        | <b>15,306.89</b>  |
| Allowance for Expected Credit Loss | 3,631.37          |
| <b>As on March 31, 2018</b>        | <b>18,938.26</b>  |
| Allowance for Expected Credit Loss | (935.45)          |
| <b>As on March 31, 2019</b>        | <b>18,002.80</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, 2019

| ₹ in Lakhs                  |                  |           |                   |                    |
|-----------------------------|------------------|-----------|-------------------|--------------------|
| Particulars                 | Less than 1 year | 1-5 years | More than 5 years | Total              |
| Borrowings                  | 71,861.66        | 6,001.45  | 61,618.08         | <b>1,39,481.19</b> |
| Trade Payable               | 94,058.36        | 12,120.41 | -                 | <b>1,06,178.77</b> |
| Other Financial Liabilities | 29,431.07        | 5,248.30  | -                 | <b>34,679.37</b>   |

March 31, 2018

| ₹ in Lakhs                  |                  |           |                   |                    |
|-----------------------------|------------------|-----------|-------------------|--------------------|
| Particulars                 | Less than 1 year | 1-5 years | More than 5 years | Total              |
| Borrowings                  | 57,621.51        | 17,324.15 | 56,155.42         | <b>1,31,101.08</b> |
| Trade Payable               | 96,356.08        | 4,420.03  | 1,105.01          | <b>1,01,881.12</b> |
| Other Financial Liabilities | 33,822.19        | 4,592.91  | 559.56            | <b>38,974.66</b>   |

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 40 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD..)

#### 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, 2019 | March 31, 2018 |
| Variable Rate Borrowing | 66,794.24      | 49,939.28      |
| Fixed Rate Borrowing    | 72,686.95      | 81,161.80      |

##### **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, 2019 | March 31, 2018 |
| <b>Interest Sensitivity*</b>                |                |                |
| Interest Rates increase by 100 basis points | (872.41)       | (1,230.89)     |
| Interest Rates decrease by 100 basis points | 872.41         | 1,230.89       |

\*Holding all other variables constant

##### 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, 2019 | March 31, 2018 |
| <b>Price Sensitivity*</b>   |                |                |
| Price increase by 5%- FVOCI | 23.81          | 22.56          |
| Price decrease by 5%- FVOCI | (23.81)        | (22.56)        |

\*Holding all other variables constant

### NOTE 41 : 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 longterm 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

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 41 : CAPITAL MANAGEMENT (CONTD..)

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:

| Particulars                     | ₹ in Lakhs              |                         |
|---------------------------------|-------------------------|-------------------------|
|                                 | As on<br>March 31, 2019 | As on<br>March 31, 2018 |
| Borrowings                      | 1,46,290.70             | 1,42,097.32             |
| Trade payables                  | 1,06,178.77             | 1,01,881.12             |
| Less: cash and cash equivalents | 3,685.41                | 2,480.62                |
| <b>Net debt</b>                 | <b>2,48,784.07</b>      | <b>2,41,497.82</b>      |
| Total capital                   | 42,013.18               | 46,492.16               |
| <b>Capital and net debt</b>     | <b>2,90,797.25</b>      | <b>2,87,989.98</b>      |
| Gearing ratio                   | 86%                     | 84%                     |

### NOTE 42 : RECONCILIATION OF FAIR VALUE OF INVESTMENT PROPERTY:

| Particulars  | ₹ in Lakhs              |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| Fair value of opening balance of investment property | 883.93                  | 860.04                  |
| Addition during the year                             | 53.21                   | 52.48                   |
| Fair value adjustment during the year                | 6.51                    | (28.59)                 |
| Fair value of transfer in / out                      | -                       | -                       |
| Fair value of closing balance of investment property | 943.65                  | 883.93                  |

### NOTE 43 : GROUP INFORMATION

| Name   | Country of<br>incorporation<br>and operation | ₹ in Lakhs              |                         |
|--|--|-------------------------|-------------------------|
|  |  | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
| <b>SUBSIDIARIES</b>  |  | (%)                     | (%)                     |
| ADD Energy Management Co (Pvt) Ltd.                        | India  | 44.72                   | 44.72                   |
| Add Technologies (India) Limited                           | India  | 43.38                   | 45.70                   |
| Allahabad Waste Processing Company Limited                 | India  | 95.02                   | 95.02                   |
| Awa Power Company Private Limited                          | India  | 21.90                   | 28.91                   |
| Bhagalpur Electricity Distribution Co. Pvt Ltd             | India  | 99.99                   | 99.99                   |
| Binwa Power Company Private Limited                        | India  | 50.79                   | 50.79                   |
| Delhi Waste Management Limited                             | India  | 49.39                   | 52.03                   |
| Delhi Waste Management Najafgarh Private Limited           | India  | 25.19                   | -                       |
| Doon Valley Waste Management Private Ltd                   | India  | 87.49                   | 61.45                   |
| IQU Power Company Private Limited                          | India  | 23.09                   | 28.89                   |
| Luni Power Company Private Limited                         | India  | 43.62                   | 57.67                   |
| Madurai Municipal Waste Processing Company Private Limited | India  | 92.33                   | 92.33                   |
| Mathura Nagar Waste Processing Limited                     | India  | 90.25                   | 90.25                   |
| Mizoram Infrastructure Development Company Limited         | India  | 68.99                   | 68.99                   |
| Neogal Power Company Private Limited                       | India  | 15.20                   | 26.34                   |
| PT Sanmati Natural Resources                               | Indonesia                                    | 44.27                   | 44.27                   |
| Rupin Tons Power Company Private Limited                   | India  | -                       | 45.05                   |
| SJA DEVELOPERS PRIVATE LIMITED                             | India  | 42.36                   | 43.46                   |
| SPM Holdings Pte. Limited                                  | Singapore                                    | 44.72                   | 44.72                   |
| SPML Energy Limited  | India  | 58.07                   | 58.07                   |

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 43 : GROUP INFORMATION (CONTD..)

₹ in Lakhs

| Name   | Country of incorporation and operation | As at March 31, 2019 | As at March 31, 2018 |
|--|--|----------------------|----------------------|
| SPML Infra Developers Limited                  | India                                  | 100.00               | 100.00               |
| SPML Infrastructure Limited                    | India                                  | 99.99                | 99.99                |
| SPMLIL-Amrutha Constructions Private Limited   | India                                  | 50.99                | -                    |
| SPML Utilities Limited                         | India                                  | 100.00               | 100.00               |
| Subhash Kabini Power Corporation Limited       | India                                  | 44.72                | 44.72                |
| Subhash Urja Private Limited                   | India                                  | 100.00               | 100.00               |
| Tons Valley Power Company Private Limited      | India                                  | -                    | 54.38                |
| Uttarkashi Tons Hydro Power Private Limited    | India                                  | -                    | 47.21                |
| <b>ASSOCIATES</b>                              |  |                      |                      |
| Aurangabad jal construction Private Limited    | India                                  | -                    | 26.00                |
| Aurangabad jal Supply Solution Private Limited | India                                  | -                    | 26.00                |
| Bhilwara Jaipur Toll Road Private Limited      | India                                  | 51.00                | 51.00                |
| PT Bina Insan Sukses Mandiri                   | Indonesia                              | 20.20                | 20.00                |
| PT Vardhaman Logistics                         | Indonesia                              | 12.12                | 12.09                |
| PT Vardhaman Mining Services                   | Indonesia                              | 20.41                | 20.09                |
| Rabaan (S) Pte Limited                         | Singapore                              | 20.41                | 20.09                |
| Sanmati Infra Developers (p) Ltd.              | India                                  | 25.00                | 25.00                |
| SPML Bhiwandi Water Supply Infra Limited       | India                                  | 44.94                | 44.94                |
| SPML Bhiwandi Water Supply Management Limited  | India                                  | 50.00                | 50.00                |
| <b>JOINT VENTURES</b>                          |  |                      |                      |
| Aurangabad City Water Utility Co. Ltd          | India                                  | 40.01                | 40.01                |
| Gurha Thermal Power Co. Ltd.                   | 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                                  | 47.99                | 47.99                |

#### Notes :

Two of the above mentioned subsidiaries namely SPMLIL- Amrutha Constructions Private Limited and Delhi Waste Management Najafgarh Private Limited have been incorporated on 01th April 2018 and 21st Sept 2018 respectively.

Two associates namely Aurangabad Jal Supply Solution Private Limited and Aurangabad Jal Construction Private Limited ceased to be associates w.e.f. 11th July 2018 on account of sale of investment.

**NOTE 44:** Sundry balances/liabilities written back aggregating ₹288.25 lakhs (₹1,385.06 lakhs) consisting of numerous balances being unclaimed / unmoved since long (mostly more than three years) have been written back during the year as the management believes that these amounts are no longer payable.

**NOTE 45:** The Ultimate Holding Company has made no provision for interest on account of Yield to Maturity amounting to ₹4,731.86 lakhs (March 31, 2018 ₹1842.68 lakhs) has been made on Optionally Convertible Debentures (OCDs) issued to lenders under SPML S4A Scheme, as the management believes that the same is not payable until maturity of such OCD.

**NOTE 46:** Clients of the Ultimate Holding Company have foreclosed the certain contracts which are under arbitration / litigation proceedings. The management, based on the fact of the case is confident to recover the trade receivables and Inventories amounting of ₹3,402.74 lakhs as on 31st march 2019 (₹3,402.74 lakhs as on 31st March 2018) and ₹1040.62 lakhs respectively, In respect of certain contracts with customers which are under arbitration/dispute. The Management, based on facts of the cases is confident to recover / realize the above amounts.

**NOTE 47:** The Ultimate Holding Company has Trade and Other Receivables amounting ₹26,814.56 lakhs as on March 31, 2019 (₹25,460.41 lakhs as on March 31, 2018) and has recognized interest of ₹946.01 lakhs (₹1,471.20 lakhs as on March 31, 2018) during the year arising out of arbitration awards pronounced in favour of the Company. Against these awards, the customers have preferred appeals in the jurisdictional courts and the legal proceedings are going on.

## **Notes to Financial Statements** as at and for the year ended March 31, 2019

Pending the outcome of the said legal proceedings, the above amounts are being carried forward as receivable as the management believes that the final outcome of the appeals would be in favor of the Company based on the facts of the respective cases and is confident to recover the aforesaid claims in full.

**NOTE 48:** The Holding Company made all the efforts to obtain the requisite financial statement/financial information of 1 (one) Joint Venture (JV) entity, namely Gurha Thermal Power Co. Ltd. for the year ended 31st March, 2019. However in the absence of the required financial statements / financial information of the aforesaid JV, the consolidated financial results of the Holding Company for the year ended 31st March, 2019 have been prepared without considering the financial impact of the financial statement/financial information of the said JV. Considering the amount of investments made in the aforesaid joint venture by the Holding Company, the financial statement/financial information of the said JV are not material to the Group.

### **NOTE 49:**

- i) The accounts of Doon Valley Waste Management Pvt. Ltd., a subsidiary of the Holding Company, have been prepared on going concern basis in spite of the net worth being completely eroded. The Company's ability to meet its obligations in the ordinary course of business is dependent upon its ability to establish profitable operations and financial support from the ultimate Holding Company.
- ii) Sanmati Infra Developers Pvt. Ltd., an associate of the Holding Company, augmented investments for its subsidiary Pondicherry Special Economic Zone Company Limited, which is facing material uncertainties relating to execution of its Project namely establishment of Special Economic Zone (SEZ) in Pondicherry. The other Project namely establishment of 'Pondicherry Satellite Town' by this Company which is inter-related to the SEZ Project is also put on hold. However, the management is contemplating a new project is being evaluated to be commenced in this Company. Hence, the management, in spite of material uncertainties leading to significant doubts, is of the view that the going concern assumption is appropriate.
- iii) SPML Bhiwandi Water Supply Management Limited, an associate of the Parent Company has accumulated losses of ₹8.48 lakhs as on the Balance Sheet date in comparison to paid up share capital of ₹5 lakhs as on balance sheet date. Further the company has incurred a net loss/net cash loss during the previous year and in current year also, but satisfactory steps taken for implementation of project by management to mitigate the risk, thereby ensuring the Company's ability to continue as going concern.
- iv) SPML Bhiwandi Water Supply Infra Limited, an associate of the Parent Company has accumulated losses of ₹13.94 lakhs as on date in comparison to paid up share capital of ₹5 lakhs. Further the Company has incurred a net loss/net cash loss during the previous year and in current year but satisfactory steps taken for implementation of project by management to mitigate the effect, thereby ensuring the Company's ability to continue as going concern.
- v) Hydro-Comp Enterprises (India) Private Limited, a joint venture of the Parent Company Although has accumulated losses of ₹122.37 lakh as on date in comparison to paid up share capital of ₹45.93 lakhs. Further the company has incurred a net loss/net cash loss during the previous year and in current year but satisfactory steps taken for implementation of project by management to mitigate the effect, thereby ensuring the company's ability to continue as going concern.

**NOTE 50:** The auditors of two subsidiaries of the group have drawn attention that the said subsidiaries had suo-moto foreclosed their running projects due to the breach of concession agreement by the client on account of non-payment of the dues to the companies. The management has filed the petition for arbitration in above mentioned subsidiaries and, based on the legal opinion obtained, is confident of recovery of the receivables and gross book value of fixed assets of ₹1,143.45 lakhs and ₹406.00 lakhs respectively. Accordingly, no adjustments have been considered necessary in these financials results.

**NOTE 51:** Trade receivables aggregating ₹8,216.06 lakhs (31st March, 2018 ₹8,216.06 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 realization

**NOTE 52:** In accordance with the provisions of Section 135 of the Companies Act 2013, the Ultimate Holding Company was to spend a sum of ₹45.93 lakhs towards the CSR activities during the year ended March 31, 2019. During the year, the Company has spent Nil for the aforesaid activities.

**NOTE 53:** Previous periods's figures have been regrouped/rearranged wherever considered necessary to confirm to the figures presented in the current year. Certain balances of Trade Receivables, Loans, Unsecured Borrowings and Trade Payables are subject to confirmations and subsequent reconciliations.



# Notes to Financial Statements

as at and for the year ended March 31, 2019

**NOTE 54:** 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<br>minus Total Liabilities |            | Share in profit or loss                   |          | Share in Other<br>Comprehensive Income    |          | Share in Total<br>Comprehensive Income    |          |
|--|---|------------|---|----------|---|----------|---|----------|
|  | As % of<br>consolidated<br>net assets                   | Amount     | As % of<br>consolidated<br>Profit or loss | Amount   | As % of<br>consolidated<br>Profit or loss | Amount   | As % of<br>consolidated<br>Profit or loss | Amount   |
|  |   |            |   |          |   |          |   |          |
| <b>Parent</b>  |   |            |   |          |   |          |   |          |
| SPML Infra Ltd.  | 90.31%  | 37,943.50  | 124.88%                                   | 4,961.83 | 103.28%                                   | (437.47) | 127.45%                                   | 4,524.36 |
| <b>Subsidiaries</b>  |   |            |   |          |   |          |   |          |
| ADD Energy Management Co (Pvt) Ltd.                        | -0.08%  | (31.95)    | 0.26%                                     | 10.48    | 0.00%                                     | -        | 0.30%                                     | 10.48    |
| Add Technologies (India) Limited                           | 0.66%   | 279.27     | -1.03%                                    | (40.89)  | -0.92%                                    | 3.89     | -1.04%                                    | (37.00)  |
| Allahabad Waste Processing Company Limited                 | 2.51%   | 1,053.21   | -3.12%                                    | (124.05) | 0.00%                                     | -        | -3.49%                                    | (124.05) |
| Awa Power Company Private Limited                          | 1.20%   | 505.05     | -1.86%                                    | (74.10)  | -0.02%                                    | 0.10     | -2.08%                                    | (74.00)  |
| Bhagalpur Electricity Distribution Co. Pvt Ltd             | -4.60%  | (1,934.05) | -12.89%                                   | (512.02) | 0.00%                                     | -        | -14.42%                                   | (512.02) |
| Binwa Power Company Private Limited                        | 0.79%   | 331.58     | -0.10%                                    | (4.13)   | 0.00%                                     | -        | -0.12%                                    | (4.13)   |
| Delhi Waste Management Limited                             | 9.91%   | 4,162.72   | 0.20%                                     | 7.92     | -0.87%                                    | 3.67     | 0.33%                                     | 11.59    |
| Delhi Waste Management Najafgarh Private Limited           | 0.00%   | 0.13       | 0.00%                                     | (0.12)   | 0.00%                                     | -        | 0.00%                                     | (0.12)   |
| Doon Valley Waste Management Private Ltd                   | -0.40%  | (169.82)   | -2.68%                                    | (106.61) | 0.00%                                     | -        | -3.00%                                    | (106.61) |
| IQU Power Company Private Limited                          | 0.53%   | 221.07     | -0.47%                                    | (18.67)  | -0.02%                                    | 0.07     | -0.52%                                    | (18.59)  |
| Luni Power Company Private Limited                         | 3.11%   | 1,307.66   | -0.02%                                    | (0.61)   | -0.05%                                    | 0.21     | -0.01%                                    | (0.40)   |
| Madurai Municipal Waste Processing Company Private Limited | 2.68%   | 1,124.48   | -8.23%                                    | (326.91) | 0.00%                                     | -        | -9.21%                                    | (326.91) |
| Mathura Nagar Waste Processing Limited                     | 0.81%   | 339.49     | -1.76%                                    | (70.12)  | 0.00%                                     | -        | -1.98%                                    | (70.12)  |
| Mizoram Infrastructure Development Company Limited         | 0.01%   | 2.37       | 0.00%                                     | (0.14)   | 0.00%                                     | -        | 0.00%                                     | (0.14)   |
| Neogal Power Company Private Limited                       | 0.79%   | 330.06     | -1.82%                                    | (72.18)  | 0.00%                                     | 0.02     | -2.03%                                    | (72.16)  |
| PT Sanmati Natural Resources                               | 0.78%   | 326.12     | 8.80%                                     | 349.61   | 0.00%                                     | -        | 9.85%                                     | 349.61   |
| Rupin Tons Power Company Private Limited                   | 0.00%   | -          | 0.00%                                     | -        | 0.00%                                     | -        | 0.00%                                     | -        |
| SJA Developers Private Limited                             | 0.43%   | 180.76     | 0.02%                                     | 0.97     | 0.00%                                     | -        | 0.03%                                     | 0.97     |
| SPM Holdings Pte. Limited                                  | 7.79%   | 3,274.74   | 6.78%                                     | 269.19   | 0.00%                                     | -        | 7.58%                                     | 269.19   |

## Notes to Financial Statements as at and for the year ended March 31, 2019

**NOTE 54:** 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<br>minus Total Liabilities |          | Share in profit or loss                   |          | Share in Other<br>Comprehensive Income    |        | Share in Total<br>Comprehensive Income    |          |
|---|---|----------|---|----------|---|--------|---|----------|
|   | As % of<br>consolidated<br>net assets                   | Amount   | As % of<br>consolidated<br>Profit or loss | Amount   | As % of<br>consolidated<br>Profit or loss | Amount | As % of<br>consolidated<br>Profit or loss | Amount   |
|   |   |          |   |          |   |        |   |          |
| SPML Energy Limited                             | 1.60%   | 672.40   | 0.19%                                     | 7.70     | 0.01%                                     | (0.04) | 0.22%                                     | 7.66     |
| SPML Infra Developers Limited                   | 0.01%   | 2.33     | -0.02%                                    | (0.73)   | 0.00%                                     | -      | -0.02%                                    | (0.73)   |
| SPML InfraProjects Limited                      | 0.00%   | -        | 0.00%                                     | -        | 0.00%                                     | -      | 0.00%                                     | -        |
| SPML Infrastructure Limited                     | 5.24%   | 2,203.31 | -14.94%                                   | (593.46) | -1.31%                                    | 5.54   | -16.56%                                   | (587.92) |
| SPMLIL-Amrutha Constructions Private Limited    | 0.14%   | 60.46    | 1.51%                                     | 59.95    | 0.00%                                     | -      | 1.69%                                     | 59.95    |
| SPML Utilities Limited                          | 1.70%   | 712.81   | -0.12%                                    | (4.63)   | 0.00%                                     | -      | -0.13%                                    | (4.63)   |
| Subhash Kabini Power Corporation Limited        | 11.02%  | 4,628.28 | 15.64%                                    | 621.46   | -0.11%                                    | 0.45   | 17.52%                                    | 621.91   |
| Subhash Urja Private Limited                    | 0.00%   | 0.12     | -0.01%                                    | (0.31)   | 0.00%                                     | -      | -0.01%                                    | (0.31)   |
| Synergy Promoters Private Ltd                   | 0.00%   | -        | 0.00%                                     | -        | 0.00%                                     | -      | 0.00%                                     | -        |
| Tons Valley Power Company Private Limited       | 0.00%   | -        | 0.00%                                     | -        | 0.00%                                     | -      | 0.00%                                     | -        |
| Uttarkashi Tons Hydro Power Private Limited     | 0.00%   | -        | 0.00%                                     | -        | 0.00%                                     | -      | 0.00%                                     | -        |
| <b>Joint Ventures</b>                           |   |          |   |          |   |        |   |          |
| Aurangabad City Water Utility Co. Ltd           | 0.00%   | -        | 0.00%                                     | -        | 0.00%                                     | -      | 0.00%                                     | -        |
| Gurha Thermal Power Co. Ltd.                    | 0.00%   | -        | 0.00%                                     | -        | 0.00%                                     | -      | 0.00%                                     | -        |
| Hydro Comp Enterprises India Private Limited    | 0.00%   | -        | 0.00%                                     | -        | 0.00%                                     | -      | 0.00%                                     | -        |
| Malviya Nagar Water Services Private Limited    | 0.00%   | -        | 0.00%                                     | -        | 0.00%                                     | -      | 0.00%                                     | -        |
| MVV Water Utility Private Limited               | 0.00%   | -        | 0.15%                                     | 5.79     | 0.00%                                     | -      | 0.16%                                     | 5.79     |
| <b>Associates</b>                               |   |          |   |          |   |        |   |          |
| Aurangabad Jal construction Private Limited     | 0.00%   | -        | 0.00%                                     | -        | 0.00%                                     | -      | 0.00%                                     | -        |
| Aurangabad Jal Supply Solution Private Limited  | 0.00%   | -        | 0.00%                                     | -        | 0.00%                                     | -      | 0.00%                                     | -        |
| Bhilwara Jaipur Toll Road Private Limited       | 0.00%   | -        | -3.17%                                    | (125.87) | 0.00%                                     | -      | -3.55%                                    | (125.87) |
| Mizoram Mineral Development Corporation Limited | 0.00%   | -        | 0.00%                                     | -        | 0.00%                                     | -      | 0.00%                                     | -        |
| PT Bina Insan Sukses Mandiri                    | 0.00%   | -        | 6.28%                                     | 249.37   | 0.00%                                     | -      | 7.02%                                     | 249.37   |

₹ in Lakhs

## Notes to Financial Statements

as at and for the year ended March 31, 2019

**NOTE 54:** 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<br>minus Total Liabilities |                  | Share in profit or loss                   |                 | Share in Other<br>Comprehensive Income    |                 | Share in Total<br>Comprehensive Income    |                 |
|--|---|------------------|---|-----------------|---|-----------------|---|-----------------|
|  | As % of<br>consolidated<br>net assets                   | Amount           | As % of<br>consolidated<br>Profit or loss | Amount          | As % of<br>consolidated<br>Profit or loss | Amount          | As % of<br>consolidated<br>Profit or loss | Amount          |
|  |   |                  |   |                 |   |                 |   |                 |
| PT Vardhaman Logistics                           | 0.00%   | -                | 0.01%                                     | 0.25            | 0.00%                                     | -               | 0.01%                                     | 0.25            |
| PT Vardhaman Mining Services                     | 0.00%   | -                | 0.00%                                     | -               | 0.00%                                     | -               | 0.00%                                     | -               |
| Rabaan (S) Pte Limited                           | 0.00%   | -                | 0.00%                                     | -               | 0.00%                                     | -               | 0.00%                                     | -               |
| Sanmati Infra Developers (p) Ltd.                | 0.00%   | -                | 0.00%                                     | -               | 0.00%                                     | -               | 0.00%                                     | -               |
| SPML Bhiwandi Water Supply Infra<br>Limited      | 0.00%   | -                | -0.01%                                    | (0.44)          | 0.00%                                     | -               | -0.01%                                    | (0.44)          |
| SPML Bhiwandi Water Supply<br>Management Limited | 0.00%   | -                | 0.00%                                     | (0.15)          | 0.00%                                     | -               | 0.00%                                     | (0.15)          |
| Intra-group eliminations                         | -36.92%   | (15,512.91)      | -12.46%                                   | (495.03)        | 0.00%                                     | (0.00)          | -13.95%                                   | (495.03)        |
| <b>Total</b>                                     | <b>100%</b>   | <b>42,013.18</b> | <b>100%</b>                               | <b>3,973.34</b> | <b>100%</b>                               | <b>(423.56)</b> | <b>100%</b>                               | <b>3,549.78</b> |

₹ in Lakhs

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 55 : MATERIAL PARTLY- OWNED SUBSIDIARIES:

Financial information of subsidiaries that have material non-controlling interests is provided below:

#### Proportion of equity interest held by non-controlling interests:

| Name                                     | Country of incorporation and operation | March 31, 2019 | March 31, 2018 |
|--|--|----------------|----------------|
| Subhash Kabini Power Corporation Limited | India                                  | 55.28%         | 55.28%         |
| SPM Holding Pte. Limited                 | Singapore                              | 55.28%         | 55.28%         |
| Delhi Waste Management Limited           | India                                  | 50.61%         | 47.97%         |

#### Information regarding non-controlling interests:

| Name   | ₹ in Lakhs     |                |
|--|----------------|----------------|
|  | March 31, 2019 | March 31, 2018 |
| <b>Accumulated balances of material non-controlling interest:</b>    |                |                |
| Subhash Kabini Power Corporation Limited                             | 7,765.03       | 3,312.14       |
| SPM Holding Pte. Limited   | 1,505.72       | (1,045.69)     |
| Delhi Waste Management Limited                                       | 4,826.38       | 4,235.93       |
| <b>Profit/(loss) allocated to material non-controlling interest:</b> |                |                |
| Subhash Kabini Power Corporation Limited                             | 705.82         | 31.19          |
| SPM Holding Pte. Limited   | 118.83         | 597.87         |
| Delhi Waste Management Limited                                       | 13.37          | 126.47         |

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

#### Summarised Balance Sheet as at 31 March 2019:

| Name   | ₹ in Lakhs                               |                          |                                |
|--|--|--------------------------|--------------------------------|
|  | Subhash Kabini Power Corporation Limited | SPM Holding Pte. Limited | Delhi Waste Management Limited |
| Inventories and cash and cash equivalents (current)                                | 300.79                                   | 2,341.64                 | 485.55                         |
| Property, plant and equipment and other non-current financial assets (non-current) | 15,250.41                                | 6,001.07                 | 5,851.94                       |
| Trade and other payable (current)  | 2,772.19                                 | 16,550.41                | 231.13                         |
| Interest-bearing loans and borrowing and deferred tax liabilities (non-current)    | 3,743.18                                 | -                        | -                              |
| <b>Total equity</b>  | <b>10,350.04</b>                         | <b>8,059.81</b>          | <b>8,427.83</b>                |
| <b>Attributable to:</b>  |  |                          |                                |
| Equity holders of parent   | 4,628.54                                 | 3,604.35                 | 4,162.50                       |
| Non-controlling interest   | 5,721.50                                 | 4,455.47                 | 4,265.32                       |

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 55 : MATERIAL PARTLY- OWNED SUBSIDIARIES: (CONTD..)

#### Summarised Balance Sheet as at 31 March 2018:

|  | ₹ in Lakhs  |                             |                                      |
|--|---|-----------------------------|--------------------------------------|
| Name   | Subhash<br>Kabini Power<br>Corporation<br>Limited | SPM Holding<br>Pte. Limited | Delhi Waste<br>Management<br>Limited |
| Inventories and cash and cash equivalents (current)                                | 281.12  | 2,317.00                    | 1,361.52                             |
| Property, plant and equipment and other non-current financial assets (non-current) | 13,902.30   | 4,526.77                    | 5,795.45                             |
| Trade and other payable (current)  | 1,768.95  | 13,233.06                   | 828.43                               |
| Interest-bearing loans and borrowing and deferred tax liabilities (non-current)    | 5,176.54  | -                           | -                                    |
| <b>Total equity</b>  | <b>8,959.28</b>                                   | <b>6,922.64</b>             | <b>7,824.28</b>                      |
| <b>Attributable to:</b>  |   |                             |                                      |
| Equity holders of parent   | 4,006.59  | 3,095.80                    | 4,070.97                             |
| Non-controlling interest   | 4,952.69  | 3,826.84                    | 3,753.31                             |

#### Summarised Statement of Profit and Loss for the year ended 31 March 2019:

|   | ₹ in Lakhs  |                             |                                      |
|---|---|-----------------------------|--------------------------------------|
| Name  | Subhash<br>Kabini Power<br>Corporation<br>Limited | SPM Holding<br>Pte. Limited | Delhi Waste<br>Management<br>Limited |
| Revenue   | 3,483.80  | 47,931.19                   | 1,109.27                             |
| Cost of raw material and components consumed          | 0.36  | 45,090.77                   | 446.70                               |
| Other expenses  | 691.76  | 597.93                      | 340.40                               |
| Finance costs   | 897.62  | 772.98                      | 11.52                                |
| <b>Profit before tax</b>                              | <b>1,894.06</b>                                   | <b>1,469.51</b>             | <b>310.65</b>                        |
| Income tax  | 504.32  | 77.79                       | 294.62                               |
| <b>Profit for the year from continuing operations</b> | <b>1,389.75</b>                                   | <b>1,391.72</b>             | <b>16.03</b>                         |
| <b>Total comprehensive income</b>                     | <b>1,390.75</b>                                   | <b>1,391.72</b>             | <b>23.46</b>                         |
| Attributable to non-controlling interests             | 768.81  | 769.34                      | 11.87                                |
| Dividends paid to non-controlling interests           | -   | -                           | -                                    |

#### Summarised Statement of Profit and Loss for the year ended 31 March 2018:

|   | ₹ in Lakhs  |                             |                                      |
|---|---|-----------------------------|--------------------------------------|
| Name  | Subhash<br>Kabini Power<br>Corporation<br>Limited | SPM Holding<br>Pte. Limited | Delhi Waste<br>Management<br>Limited |
| Revenue   | 1,979.06  | 44,683.18                   | 3,379.36                             |
| Cost of raw material and components consumed          | 11.82   | 41,970.75                   | 1,607.11                             |
| Other expenses  | 567.29  | 718.80                      | 1,398.56                             |
| Finance costs   | 1,283.85  | 278.16                      | 178.84                               |
| <b>Profit before tax</b>                              | <b>116.09</b>                                     | <b>1,715.47</b>             | <b>194.85</b>                        |
| Income tax  | 4.99  | 43.17                       | 29.06                                |
| <b>Profit for the year from continuing operations</b> | <b>111.10</b>                                     | <b>1,672.31</b>             | <b>165.79</b>                        |
| <b>Total comprehensive income</b>                     | <b>119.31</b>                                     | <b>1,672.31</b>             | <b>149.45</b>                        |
| Attributable to non-controlling interests             | 65.95   | 924.45                      | 71.69                                |
| Dividends paid to non-controlling interests           | -   | -                           | -                                    |

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 55 : MATERIAL PARTLY- OWNED SUBSIDIARIES: (CONTD..)

#### Summarised Cash flow information for the year ended 31 March 2019:

| Name   | ₹ in Lakhs                               |                          |                                |
|--|--|--------------------------|--------------------------------|
|  | Subhash Kabini Power Corporation Limited | SPM Holding Pte. Limited | Delhi Waste Management Limited |
| Operating  | 2,661.69                                 | (5,373.26)               | (265.01)                       |
| Investing  | (504.17)                                 | 20.92                    | 205.45                         |
| Financing  | (2,176.84)                               | 7,324.46                 | 314.41                         |
| Net increase/(decrease) in cash and cash equivalents | (19.32)                                  | 1,972.12                 | 254.85                         |

#### Summarised Cash flow information for the year ended 31 March 2018:

| Name   | ₹ in Lakhs                               |                          |                                |
|--|--|--------------------------|--------------------------------|
|  | Subhash Kabini Power Corporation Limited | SPM Holding Pte. Limited | Delhi Waste Management Limited |
| Operating  | 479.13                                   | 5,706.95                 | (891.18)                       |
| Investing  | 731.16                                   | 733.31                   | 1,160.69                       |
| Financing  | (1,313.97)                               | (6,206.12)               | (417.93)                       |
| Net increase/(decrease) in cash and cash equivalents | (103.68)                                 | 234.14                   | (148.41)                       |

#### Interest in Associates:

The Company has a 51% interest in Bhilwara Jaipur Toll Road Private Limited, a joint venture involved in Infrastructure business in India. The Company's interest in Bhilwara Jaipur Toll Road Private Limited is accounted for using the equity method in the consolidated financial statements.

#### Summarised Balance Sheet

| Name                                  | ₹ in Lakhs     |                |
|---------------------------------------|----------------|----------------|
|                                       | March 31, 2019 | March 31, 2018 |
| Non- Current Assets                   | 36,540.13      | 36,964.98      |
| Current Assets                        | 374.51         | 350.08         |
| Non- Current Liabilities              | 17,344.14      | 21,887.11      |
| Current liabilities                   | 10,412.04      | 5,270.27       |
| Equity                                | 9,158.46       | 10,157.67      |
| Proportion of the Company's ownership | 51%            | 51%            |
| Carrying amount of the Investment     | 2,684.45       | 2,931.25       |

## Notes to Financial Statements as at and for the year ended March 31, 2019

### NOTE 55: MATERIAL PARTLY- OWNED SUBSIDIARIES: (CONTD..)

#### Summarised Statement of Profit and Loss

| Name   | ₹ in Lakhs     |                |
|--|----------------|----------------|
|  | March 31, 2019 | March 31, 2018 |
| Revenue                                      | 1,470.10       | 3,396.99       |
| Cost of raw material and components consumed | -              | 78.55          |
| Depreciation & amortization                  | 301.20         | 459.62         |
| Finance cost                                 | 1,323.98       | 2,973.01       |
| Employee benefit                             | 55.36          | 128.30         |
| Other expense                                | 273.47         | 643.32         |
| Profit before tax                            | (483.92)       | (885.81)       |
| Income tax expense                           | -              | -              |
| Profit for the year                          | (483.92)       | (885.81)       |
| Total comprehensive income for the year      | (483.92)       | (885.81)       |
| Group's share of profit for the year         | (246.80)       | (451.77)       |

Signatories to Note nos. 1 to 55

As per our report of even date

**For Maheshwari & Associates**

Chartered Accountants

ICAI Firm Registration No. 311008E

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

**CA Bijay Murmuria**

Partner

Membership No - 055788

**Subhash Chand Sethi**

Chairman

DIN: 00464390

**Sushil Kr. Sethi**

Managing Director

DIN: 00062927

Place: Gurgaon

Date: May 30, 2019

**Abhay Raj Singh**

Company Secretary

**Sujit Kumar Jhunjhunwala**

Chief Financial Officer





# Corporate Information

## Board of Directors

**Mr. Subhash Chand Sethi**

*Chairman & Whole Time Director*

**Mr. Sushil Kumar Sethi**

*Managing Director*

**Mr. Sarthak Behuria**

*Independent Director*

**Mr. P. S. Rana**

*Independent Director*

**Mrs. Pavitra Joshi Singh**

*Independent Director*

**Mr. Dinesh Kumar Goyal**

*Independent Director*

**Mr. Supriyo Kumar Chaudhuri**

*Nominee Director*

**Mr. Deepak Sethi**

*Non-Executive Director*

## Key Managerial Personnel:

Mr. Sujit Kumar Jhunjunwala

*Chief Financial Officer*

Mr. Abhay Raj Singh

*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.

Syndicate Bank

Punjab National Bank

Bank of Baroda

IFCI Limited

Oriental Bank of Commerce

Union Bank of India

Yes Bank Ltd.

Andhra Bank

## 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



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### **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**



## SPML INFRA LIMITED

CIN: L40106DL1981PLC012228

**Registered Office:** F 27/2, Okhla Industrial Area, Phase II, New Delhi – 110020

Tel.: 011-26387091 • Fax: 011-26386003 • E-mail: info@spml.co.in • Website: www.spml.co.in

**Notice** is hereby given that the 38th Annual General Meeting of the Members of SPML Infra Limited will be held on Tuesday, the 24th day of September, 2019 at 03:30 PM at PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016 to transact the following Businesses:

### ORDINARY BUSINESS:

1. To consider and adopt the standalone and consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and Auditor's thereon.
2. To appoint a Director in place of Mr. Subhash Chand Sethi (DIN: 00464390), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

3. **To ratify the remuneration of Cost Auditor for the financial year 2019-20**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the remuneration amounting to Rs. 1,00,000/- (Rupees One Lakhs only) plus applicable taxes and re-imbursement of out of pocket expenses, as approved by the Board of Directors to be paid to M/s. Bikram Jain & Associates, Cost Accountants bearing (ICWAI Membership No. 32452), who has been appointed by the Board of Directors as the Cost Auditor to conduct the audit of the cost records of the Company as prescribed under the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time for the Financial Year 2019-20, be and is hereby ratified.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution."

4. **To Appoint Mrs. Pavitra Joshi Singh (DIN: 08355578) as an Independent Director of the Company**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules framed

thereunder, as amended from time to time, read with Schedule IV to the Act, and Regulation 17 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Pavitra Joshi Singh (DIN: 08355578), who was appointed as an Additional Director of the Company with effect from 25th February 2019 by the Board of Directors pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, who holds office upto the date of this Annual General Meeting and who qualifies for being appointed as an Independent Director meets the criteria of independence under Section 149(6) of the Companies Act, 2013 read with the Regulation 16(1)(b) of the Listing Regulations, as amended from time to time, and who has submitted a declaration to that effect and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a term of 5 (five) consecutive years with effect from 25th February 2019 upto 24th February 2024.

**RESOLVED FURTHER THAT** any of the Directors of the Company be and is hereby authorized to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

5. **To re-appoint Mr. Sarthak Behuria (DIN: 03290288), as an Independent Director of the Company**

To consider and if thought fit, to pass the following resolution as **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 and other applicable regulations of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mr. Sarthak Behuria (DIN: 03290288), who was appointed as an Independent Director of the Company at the 33rd Annual General Meeting of the Company and who holds office upto 25th September 2019 and who being eligible meets the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the regulation 16(1)(b) of the Listing Regulations, as amended from time to time, and who has submitted a declaration to that effect

and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director; be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a second term of 5 (five) consecutive years with effect from 26th September 2019 upto 25th September 2024.

**RESOLVED FURTHER THAT** any of the Directors of the Company be and is hereby authorized to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”

6. **To re-appoint Mr. Prem Singh Rana (DIN: 00129300), as an Independent Director of the Company**

To consider and if thought fit, to pass the following resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 and other applicable regulations of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mr. Prem Singh Rana (DIN: 00129300), who was appointed as Independent Director of the Company at the 33rd Annual General Meeting of the Company and who holds office upto 25th September 2019 and who being eligible meets the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the regulation 16(1)(b) of the Listing Regulations, as amended from time to time, and who has submitted a declaration to that effect and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director; be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a second term of 5 (five) consecutive years with effect from 26th September 2019 upto 25th September 2024.

**RESOLVED FURTHER THAT** pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (“Amendment Regulations, 2018”), Mr. Prem Singh Rana is attaining the age of 75 (Seventy Five) years on 10th September, 2021, during the above term of re-appointment, the continuation of such appointment as an Independent Non-Executive Director of the Company for 3 years on the same terms and conditions of such re-appointment even after attaining the age of 75 years, will be considered as requisite approval from shareholders as required in the Amendment Regulations, 2018.

**RESOLVED FURTHER THAT** any of the Directors of the Company be and is hereby authorized to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”

7. **To re-appoint Mr. Subhash Chand Sethi (DIN: 00464390) Chairman & Whole Time Director of the Company**

To consider and if thought fit, to pass the following resolution as **Special Resolution**:

**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 203 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the Act) read with allied Rules framed thereunder [including any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force], applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), Articles of Association of the Company and on the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company, consent of the Members of the Company be and is hereby accorded to re-appoint Mr. Subhash Chand Sethi, Chairman and Whole-time Director of the Company for a period of 5 (Five) consecutive years with effect from 1st January, 2020, upon such terms and conditions as detailed out in the Explanatory Statement annexed hereto, including remuneration payable from time to time, which at all times shall be within the limits prescribed under Schedule V to the said Act or any statutory amendment(s) and/or modification(s) thereof.

**RESOLVED FURTHER THAT** the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorized ‘Committee’ viz. Nomination & Remuneration Committee, Audit Committee or any other Committee of the Board thereof) shall have liberty to alter and vary the terms and conditions of the said reappointment and remuneration as may deem fit in accordance with the provisions of the Companies Act, 2013 and proper in the best interest of the Company with requisite approvals and ceiling limits as provided under Section 197 / Schedule V of the Act.

**RESOLVED FURTHER THAT** in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of Mr. Subhash Chand Sethi (DIN: 00464390) as Chairman and Whole-time Director of the Company, the Company will pay to Mr. Subhash Chand Sethi (DIN: 00464390) in respect of such financial year(s) in which such inadequacy or loss arises or a period of three years, whichever is lower, the remuneration as set out in the Explanatory Statement by way of consolidated salary, perquisites, allowances as minimum remuneration, in accordance with the provisions of Section 197 and Schedule V of the Act.

**RESOLVED FURTHER THAT** any of the Directors and the Company Secretary of the Company be and are hereby severally authorized to do and perform all such acts, deeds, matters and things, as may be considered necessary, proper, expedient or incidental, to give effect to the above resolution."

8. **To Re-appoint Mr. Sushil Kumar Sethi (DIN: 00062927), as the Managing Director of the Company**

To consider and if thought fit, to pass the following resolution as **Special Resolution**:

**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the Act) read with allied Rules framed thereunder [including any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force], applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), Articles of Association of the Company and the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company, consent of the Members of the Company be and is hereby accorded to re-appoint Mr. Sushil Kumar Sethi (DIN:00062927), Managing Director of the Company for a period of 5 (Five) consecutive years with effect from 1st January, 2020, upon such terms and conditions as detailed out in the Explanatory Statement annexed hereto, including remuneration payable from time to time, which at all times, shall be within the limits of the Act or any statutory amendment(s) and/or modification(s) thereof.

**RESOLVED FURTHER THAT** the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorized 'Committee' viz. Nomination & Remuneration Committee, Audit Committee or any other Committee of the Board thereof) shall have liberty to alter and vary the terms and conditions of the said reappointment and remuneration as may deem fit in accordance with the provisions of the Companies Act, 2013 and proper in the best interest of the Company with requisite approvals and ceiling limits as provided under Section 197 / Schedule V of the Act.

**RESOLVED FURTHER THAT** in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of Mr. Sushil Kumar Sethi (DIN: 00062927) as Managing Director of the Company, the Company will pay Mr. Sushil Kumar Sethi (DIN:00062927) in respect of such financial year(s) in which such inadequacy or loss arises or a period of three years, whichever is lower, the remuneration as set out in the Explanatory Statement by way of consolidated salary, perquisites, allowances as minimum remuneration, in accordance with the provisions of Section 197 and Schedule V of the Act.

**RESOLVED FURTHER THAT** the any of the Directors and the Company Secretary of the Company be and are hereby severally authorized to do and perform all such acts, deeds, matters and things, as may be considered necessary, proper, expedient or incidental, to give effect to the above resolution."

**By Order of the Board  
For SPML Infra Limited**

**Sd/-**

**Abhay Raj Singh  
Company Secretary**

**Date: 30.05.2019**

**Place: Gurgaon**

**Notes:**

**1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING MAY APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF IN THE MEETING. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A proxy from, duly completed and stamped, must reach the Registered Office of the Company not less than 48 hours before the commencement of the meeting (i.e., on or before 22nd September, 2019 at 03:30 PM). In case several joint holders attend the Meeting, only such joint holder who is higher in order of names will be entitled to vote at the meeting.

A person can act as proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Shareholder.

**2. Corporate Members intending to send their Authorized Representative to attend the Meeting are requested to send to the Company a Certified Copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.**

**3. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 setting out the material facts and the reasons for the proposed resolution is annexed hereto and forms part of this notice.**

**4. The Register of Members and Share Transfer Books of the Company will be closed from Tuesday, 17th September 2019 to Tuesday, 24th September 2019 (both days inclusive) for the purpose of Annual General Meeting.**

**5. The Shareholders in their 36th Annual General Meeting held on 29th September, 2017, had appointed M/s Maheshwari & Associates, Chartered Accountants (FRN No. 311008E), Kolkata, 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, subject to ratification of their appointment by the Shareholders at every subsequent Annual General Meeting. However, the Companies Amendment Act, 2017 notified by the Ministry of Corporate Affairs on 7th May, 2018 has dispensed off with the requirement of seeking ratification of the appointment of Statutory Auditor at every Annual General Meeting. Hence, notice of 38th Annual General Meeting does not contain the resolution pertaining to ratification of appointment of Statutory Auditor.

6. Details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting is/are provided in the "Annexure" to the Notice.
7. Members, proxies or Authorized Representatives are requested to bring to the Meeting the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID/ Folio No. The Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Resolution authorising their representative to attend and vote on their behalf at the meeting.
8. **Transfer of unclaimed/unpaid dividend & corresponding shares to the Investor Education and Protection Fund (IEPF):** Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government. Accordingly, the Company has transferred the unpaid or unclaimed dividends declared up to financial years 2010-11, to the Investor Education and Protection Fund (IEPF) established by the Central Government, the detail of which has been uploaded on the Company's website [www.spml.co.in](http://www.spml.co.in).
9. Pursuant to the provisions of IEPF Rules, all shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority ("IEPF Account") within a period of thirty days of such shares becoming due to be transferred to the IEPF Account. Accordingly, the Company has, during financial year 2018-19, transferred Equity Shares to the IEPF Authority in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more, after following the prescribed procedure, the detail shares so transferred to the IEPF Authority are available on the website of the Company at [www.spml.co.in](http://www.spml.co.in).
10. The Notice of the AGM along with the attendance slip and Proxy form is being sent by electronic mode to all the Members whose email addresses are registered with the Company/ Depository Participant(s), unless a Member request for the hard copy of the same. For the Members who have not registered their email addresses, physical copies of the documents are being sent by the permitted mode.
11. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with DPs/RTA.
12. Members may also note that the Notice of the AGM and the Annual Report of the Company for the Financial Year 2018-19 will also be available on the Company's website at [www.spml.co.in](http://www.spml.co.in)
13. All relevant documents referred to in the accompanying Explanatory Statement are open for inspection at the Registered Office of the Company during normal business hours on all working days from the date of dispatch of Notice until the date of the Annual General Meeting.
14. The voting rights of the Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date on Tuesday, 17th September 2019. Any person who acquires shares of the Company and become Member of the Company after dispatch of the Notice and is holding shares as on the cut-off date i.e. Tuesday, 17th September 2019 may obtain the login Id and password by sending a request at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com).
15. **Updation of Members' Details:** The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company/Registrar and Transfer Agents to record additional details of Members, including their Permanent Account Number details (PAN), email address, bank details for payment of dividend, etc. A form for capturing the additional details is annexed to the Notice. Members holding shares in physical form are requested to submit the filled in form to the Company or its Registrar and Share Transfer Agents. Members holding shares in electronic form are requested to submit the details to their respective Depository Participant(s).
16. Members holding shares in physical form are requested to intimate the change of address if any, to Registrar and Share Transfer Agent of the Company, viz. M/s Maheshwari Datamatics Pvt. Ltd., having their office at 23, R. N. Mukherjee Road, 5th Floor, Kolkata- 700001 and/or to the Company Secretary at the Corporate Office of the Company at 65, Institutional Area, Sector-32, Gurgaon-122001 quoting their folio numbers. Members holding shares in electronic mode are requested to address all their correspondence to their respective Depository Participant(s).



With the aim of curbing fraud and manipulation risk in physical transfer of securities, SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 on November 11, 2018 to permit transfer of listed securities only in the dematerialized form with a depository with effect from 1st April, 2019. In view of the above and the inherent benefits of holding shares in electronic form, shareholders holding shares in physical form are advised to dematerialize their shares.

17. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
18. Members holding shares in the same name or in the same order of names but in several folios are requested to consolidate them into one folio.
19. Non-resident Indian shareholders are requested to inform about the following immediately to the concerned Depository Participant, immediately of:-
  - a. The change in the residential status on return to India for permanent settlement.
  - b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
20. The route map showing directions to reach the venue of the AGM is annexed.
21. **E-voting:** In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, the Companies Management and Administration) Amendments Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, and the Secretarial Standard on General Meetings ("SS-2") issued by The Institute of Company Secretaries of India, the Company is providing e-voting facility to all of its members to enable them to cast their vote electronically for the items listed in Notice for the 38th Annual General Meeting of the Company. The Members have options to vote either through e-voting or through the Ballot Forms. The Company has engaged services of Central Depository Services (India) Limited (CDSL) for the purpose of providing e-voting facility to the Members.
22. The Board of Director has appointed Mr. R. S. Bhatia, Company Secretary in whole-time practice, New Delhi as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.
23. The facility for voting, through Ballot Paper, will also be available at the AGM and the Members attending the AGM, who have not cast their vote by remote e-voting, shall be eligible to exercise their right at AGM through ballot papers. Members who have casted their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their vote again.
24. Members can opt for only one mode of voting i.e. either by physical ballot or remote e-voting. In case Members cast their votes through both the modes then voting casted through e-voting shall be treated as valid and the voting through physical ballot Form shall be treated as invalid.
25. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again
26. **Poll at the meeting:** After the items of the Notice have been discussed, the Chairman will order poll in respect of the items. Poll will be conducted under the supervision of the scrutinizer appointed for e-voting and poll. A person, whose name is recorded in the Register of Members or in Register of Beneficial Owners maintained by the Depositories as on the cut-off date on Tuesday, 17th September 2019 and who have not casted their vote by remote e-voting and being present in the AGM, either personally or through proxy, only shall be entitled to vote at the AGM. The Scrutinizer after the conclusion of voting at the Annual General Meeting, first count the votes at the Annual General Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than three days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes casted in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same. The Chairman or a person authorised by him in writing shall declare the result of voting forthwith. The results, after the same are declared by the Chairman or any other person authorised by the Chairman, along with the Scrutinizer's Report, shall be placed on the website of the Company at [www.spml.co.in](http://www.spml.co.in) and shall also be communicated to CDSL and the Stock Exchanges where the shares of the Company are listed i.e. BSE Limited and National Stock Exchange of India Limited.
27. **Instructions for e-Voting are as follows:**
  - (i) The voting period begins on Saturday, the 21st Day of September, 2019 at 09:00 A.M. and ends on Monday, the 23rd Day of September, 2019 at 05:00 P.M. During this period the shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) Tuesday, 17th September 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)

- (iii) Click on Shareholders.
- (iv) Now Enter your User ID:-
- (v) For CDSL : 16 digits beneficiary ID
- (vi) For NSDL : 8 Character DP ID followed by 8 Digits Client ID,
- (vii) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (viii) Next enter the Image Verification as displayed and Click on Login.
- (ix) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- (x) If you are a first time user follow the steps given below:

|  |   |
|--|---|
| PAN  | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul> |
| Dividend Bank Details<br>OR<br>Date of Birth (DOB) | <ul style="list-style-type: none"> <li>Enter the Dividend Bank Details or date of Birth in (dd/mm/yyyy) format as recorded in your demat account or in the Company records in order to login.</li> <li>If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv) above.</li> </ul>  |

- (xi) After entering these details appropriately, click on "SUBMIT" tab.
- (xii) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly

note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xiii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xiv) Click on the EVSN relevant for the SPML Infra Limited.
- (xv) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xvi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xvii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xviii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xix) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xx) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xxi) Note for Non-Individual Shareholders and Custodians:
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## **EXPLANATORY STATEMENT (PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)**

Pursuant to provisions of Section 102 of the Companies Act, 2013, the material facts concerning the Special Business at Item Nos. 3,4,5,6,7 & 8 of the accompanying Notice are enumerated herein below:

### **Item No: 3**

Pursuant to provision of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, the Company is required to get its Cost Records audited by a Qualified Cost Accountant, who should be a Member of the Institute of Cost Accountants of India. Accordingly, on the recommendation of the Audit Committee, the Board of Directors at its meeting held on 30th May, 2019 has appointed M/s. Bikram Jain & Associates, Cost Accountants bearing (ICWAI Membership No. 32452) as the Cost Auditor of the Company for the Financial Year 2019-20 at a remuneration of Rs. 1,00,000/- (Rupees One Lakh only) plus service tax as Applicable and re-imbursement of out of pocket expenses incurred in connection with the aforesaid audit

As per Rule 14 of the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to Cost Auditors is to be ratified by the shareholders. Therefore, this resolution is put for the consideration of the shareholders. M/s Bikram Jain & Associates have furnished their Consent to act as the Cost Auditors as well as a certificate stating their eligibility for appointment as Cost Auditors of the Company.

Your Directors recommend the Ordinary Resolution as set out at item no. 3 for the approval of the Members. None of the Director is interested in this resolution.

### **Item No. 4**

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at their meeting held on 25th February, 2019 appointed Mrs. Pavitra Joshi Singh as an Additional Independent Women Director with effect from 25th February, 2019 for the term of 5 (five) consecutive years to hold office from 25th February, 2019 to 24th February, 2024 subject to the approval of Shareholders.

Mrs. Pavitra Joshi Singh, aged about 42 years, (MBA -Human Resource) is a Director HR at PepsiCo., India and Head of Talent Acquisition – Asia, Middle East and North Africa (AMENA). Mrs. Singh has a rich and diverse experience of 17+ years. She has led large teams and multiple cross functional groups across geographies. She recently moved into a global

role leading Global Campus for PepsiCo based out of India. Prior to this she was leading Talent Acquisition for India Region where she was responsible for strengthening PepsiCo's EVP in a digital era and building a strong pipeline of future leaders. Prior to the TA role she was heading the entire gamut of Talent Management (performance management, leadership & development, culture and change management) & Diversity and Inclusion for India Region.

Mrs. Singh has worked with American Express and Fair Isaac before joining PepsiCo in 2006. Very recently, she was recognized in the Women Ahead list of 2016 as one of Corporate India's fastest rising women leaders.

Mrs. Singh has given her consent to act as the Director of the Company and has also given declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Companies Act 2013 and also confirmed that, she is not disqualified to be appointed as Director in terms of Section 164 of the Companies Act, 2013.

Keeping in view her vast experience and knowledge, it will be appropriate and in the best interest of the Company that Mrs. Singh be appointed as Independent Directors of the Company for the term of 5 (five) consecutive years to hold office from 25th February, 2019 to 24th February, 2024.

The Copy of the draft letter for appointment of Mrs. Singh setting out the terms and conditions of her appointment is available for inspection by members at the Registered Office of the Company.

Except Mrs. Singh, being an appointee none of the other Directors/Key Managerial Personal of the Company / their relatives is, in any way or manner, concerned or interested, financially or otherwise, in the resolutions set out at Item No. 4 of the Notice.

The Board recommends the ordinary Resolution as set out in item No. 4

### **Item No. 5 & 6**

The members of the Company at their Meeting held on 26th September, 2014 approved the appointment of Mr. Sarthak Behuria and Mr. Prem Singh Rana as an Independent Director of the Company on the Board of your Company pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder and the erstwhile Clause 49 of the Listing Agreement (now Regulation 17 & 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) for a period of 5 (five) years w.e.f 26th September, 2014. Both the directors will complete their term on 25th September, 2019.

The Board of Directors of the Company ('the Board') at the meeting held on 30th May, 2019, on the recommendation of the Nomination & Remuneration Committee ('the Committee'), recommended for the approval of the Members, the re-appointment of Mr. Sarthak Behuria and Mr. Prem Singh Rana as an Independent Directors of the Company for the next 5 (five) years with effect from 24th September, 2019, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act'), and Regulation 17 of the Securities and

Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations 2015').

The Company has received the declaration from Mr. Behuria and Mr. Rana that they are eligible for re-appointment as an Independent Director for the 2nd term and provided their consent in writing to act as Independent Director in the relevant Form pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and a declaration under Section 149(6) of the Companies Act, 2013 and under the Regulation 16(1)(b) of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board is in view that their skills, rich experience, knowledge, contributions, continued valuable guidance would benefit the Company. Further, the Board opined that both Mr. Behuria and Mr. Rana fulfills the conditions specified in the Act, the Rules thereunder and the Listing Regulations 2015 for re-appointment as Independent Directors and they are independent of the management of the Company.

As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, ("Amendment Regulations, 2018"), inter alia, provides that "no listed company shall appoint a person or continue the directorship of any person as a non-executive independent director who has attained the age of 75 (Seventy Five) years unless it is approved by the members by passing a special resolution to that effect". Mr. Prem Singh Rana will attain the age of 75 years on 10th September, 2021 and hence continuation beyond 75 years requires the approval of members by way of a special resolution. The Board recommends the same to the Shareholder for their approval

Except Mr. Behuria and Mr. Rana, being appointee none of the other Directors/Key Managerial Personal of the Company/ their relatives is, in any way or manner, concerned or interested, financially or otherwise, in the resolutions set out at Item No. 5 & 6 of the Notice

The Board of Directors of the Company recommends that the Resolution, as set out in Item No. 5 & 6, be passed as a Special Resolution.

#### Item No. 7

The Members at the 33rd Annual General Meeting held on 26th September, 2014 approved the re-appointment of Mr. Subhash Chand Sethi as Chairman and Whole Time Director, of the Company with effect from 1st January, 2015. Mr. Subhash Chand Sethi will complete his present term on 31st December, 2019. Considering the wholehearted sincerity and commitment dedicated by Mr. Subhash Chand Sethi towards the development and growth of the Company, the Board, via its approval at its meeting held on 30th May, 2019 based on the recommendation of the, Nomination and Remuneration Committee, recommends reappointment of Mr. Subhash Chand Sethi, in his aforesaid capacity of a Chairman & Whole Time Director of the Company. The Members are informed that the Audit Committee also approved the proposed re-appointment. The details of the proposed terms and conditions including remuneration payable to him are set out below:

#### Term of Appointment

With effect from 1st January, 2020 to 31st December, 2024

#### Salary and Perquisites

| Sl. No. | Particulars                 | Details  |
|---------|-----------------------------|--|
| 1.      | Basic Salary                | Rs. 9 Lakh per month   |
| 2.      | Commission                  | 1% of the net profit of the Company  |
| 3.      | House Rent Allowance        | a) The expenditure incurred by the Company in hiring unfurnished accommodation will be subject to 60% of the Basic Salary, over and above 10% payable by him or 60% of the Basic Salary as house rent allowance shall be given.<br>b) The expenditure incurred by the Company for gas, electricity, water and furnishing shall be valued as per Income Tax Rules, 1962. This shall, however, be subject to a ceiling of 10% of the salary. |
| 4       | Medical Reimbursement       | Subject to ceiling of one month salary in a year or three month salary over a period of 3 years  |
| 5       | Leave Travel Concession     | For self and family, once in a year incurred in accordance with the Rules specified by the Company   |
| 6       | Reimbursement of Club Fees  | Payment of Club Membership fees subject to maximum of three clubs  |
| 7       | Personal Accident Insurance | Premium not to exceed Rs. 10,000/- per annum.  |

#### Minimum Remuneration

Where in any financial year(s) during the currency of the tenure of Mr. Subhash Chand Sethi as the Chairman and Whole-time Director, the Company has no profits or its profits are inadequate, the Company shall pay to Mr. Subhash Chand Sethi in respect of such financial year(s) in which such inadequacy or loss arises or a period of three years, whichever is lower, the remuneration as set out above by way of consolidated salary, perquisites and allowances as minimum remuneration, in accordance with the provisions of Section 197 and / or Schedule V to the Companies Act, 2013 (as amended) (the "Act").

#### Other terms and conditions

Apart from the above said salary, Mr. Subhash Chand Sethi shall also be entitled to the following benefits / perquisites:

- Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961

- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service;
- c. Encashment of leave at the end of the tenure.
- d. Reimbursement of medical expenses subject to the ceiling of one month's salary.
- e. Payment of Insurance Premium subject to ceiling of one month's salary.
- f. Reimbursement of bills for use of mobiles and phone/ fax at residence including internet broadband.
- g. Provision of car with maintenance, driver and actual fuel for business use;
- h. Such other benefits, amenities, facilities and perquisites as per the rules of the Company, as applicable and as may be approved by the Board of Directors of the Company.

The aggregate of the remuneration and perquisites / benefits, including contributions towards Provident Fund, Superannuation Fund and Gratuity Fund, payable to the Chairman and Whole Time Director, and all other Managing Directors and Whole Time Directors of the Company taken together, shall be within the limits prescribed under the Companies Act, 2013, or any amendment thereto or modification thereof ('the Act').

Requisite Notice under Section 160 of the Act proposing the re-appointment of Mr. Subhash Chand Sethi has been received by the Company. Based on the declarations received from Mr. Subhash Chand Sethi, in Form DIR-8, he is not disqualified from being appointed as a Director, in terms of Section 164 of the Act and he has given his consent to act as a Director of the Company, in Form DIR-2. Mr. Subhash Chand Sethi is not related to any of the Directors of the Company and does not hold any shares in the Company.

Mr. Subhash Chand Sethi shall not be paid any sitting fees for attending the meetings of the Board or Committees thereof.

Further, the Board of Directors, at the recommendation of the Nomination and Remuneration Committee, shall be authorised to increase, reduce, alter or vary the aforesaid terms of remuneration, allowances and perquisites, including monetary values thereof, at any time and from time to time, in such manner as the Board of Directors may, in its absolute discretion, deem fit, proper and necessary.

The other requisite details of Mr. Subhash Chand Sethi have been annexed hereto, marked as Annexure.

None of the Directors or Key Managerial Personnel of the Company except Mr. Subhash Chand Sethi, Mr. Sushil Kumar Sethi, Mr. Deepak Sethi and their relatives except to the extent of their shareholding, is in any way concerned or interested financially or otherwise in the proposed resolution(s) as set out in the Notice.

The Board of Directors of the Company recommends that the Resolution, as set out in Item No. 7, be passed as a Special Resolution.

## Item No. 8

The Members at the 33rd Annual General Meeting held on 26th September, 2014 approved the re-appointment of Mr. Sushil Kumar Sethi as Managing Director of the Company with effect from 1st January, 2015 and ending on 31st December, 2019. Considering the wholehearted sincerity and commitment dedicated by Mr. Sushil Kumar Sethi towards the development and growth of the Company, the Board, via its approval at its meeting held on 30th May, 2019 based on the recommendation of the Nomination and Remuneration Committee, recommends reappointment of Mr. Sushil Kumar Sethi, in his aforesaid capacity of a Managing Director of the Company. The Members are informed that the Audit Committee also approved the proposed re-appointment. The details of the proposed remuneration payable to him are set out below:

## Term of Appointment

With effect from 1st January, 2020 to 31st December, 2024

## Salary and Perquisites

| Sl. No. | Particulars                 | Details  |
|---------|-----------------------------|--|
| 1.      | Basic Salary                | Rs. 9 Lakh per month   |
| 2.      | Commission                  | 1% of the net profit of the Company  |
| 3.      | House Rent Allowance        | a) The expenditure incurred by the Company in hiring unfurnished accommodation will be subject to 60% of the Basic Salary, over and above 10% payable by him or 60% of the Basic Salary as house rent allowance shall be given.<br><br>b) The expenditure incurred by the Company for gas, electricity, water and furnishing shall be valued as per Income Tax Rules, 1962. This shall, however, be subject to a ceiling of 10% of the salary. |
| 4       | Medical Reimbursement       | Subject to ceiling of one month salary in a year or three month salary over a period of 3 years  |
| 5       | Leave Travel Concession     | For self and family, once in a year incurred in accordance with the Rules specified by the Company   |
| 6       | Reimbursement of Club Fees  | Payment of Club Membership fees subject to maximum of three clubs  |
| 7       | Personal Accident Insurance | Premium not to exceed Rs. 10,000/- per annum.  |

## Minimum Remuneration

Where in any financial year(s) during the currency of the tenure of Mr. Sushil Kumar Sethi as the Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay to Mr. Sushil Kumar Sethi in respect of such

financial year(s) in which such inadequacy or loss arises or a period of three years, whichever is lower, the remuneration as set out above by way of consolidated salary, perquisites and allowances as minimum remuneration, in accordance with the provisions of Section 197 and / or Schedule V to the Companies Act, 2013 (as amended) (the "Act").

#### **Other terms and conditions**

Apart from the above said salary, Mr. Sushil Kumar Sethi shall also be entitled to the following benefits / perquisites:

- a. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service;
- c. Encashment of leave at the end of the tenure.
- d. Reimbursement of medical expenses subject to the ceiling of one month's salary.
- e. Payment of Insurance Premium subject to ceiling of one month's salary.
- f. Reimbursement of bills for use of mobiles and phone/ fax at residence including internet broadband.
- g. Provision of car with maintenance, driver and actual fuel for business use;
- h. Such other benefits, amenities, facilities and perquisites as per the rules of the Company, as applicable and as may be approved by the Board of Directors of the Company.

The aggregate of the remuneration and perquisites / benefits, including contributions towards Provident Fund, Superannuation Fund and Gratuity Fund, payable to the Managing Director and the other Whole Time Directors of the Company taken together, shall be within the limits prescribed under the Companies Act, 2013, or any amendment thereto or modification thereof ('the Act').

Requisite Notice under Section 160 of the Act proposing the re-appointment of Mr. Sushil Kumar Sethi has been received by the Company Based on the declarations received from Mr. Sushil Kumar Sethi, in Form DIR-8, he is not disqualified from being appointed as a Director, in terms of Section 164 of the Act and he has given his consent to act as a Director of the Company, in Form DIR-2. Mr. Sushil Kumar Sethi is not related to any of the Directors of the Company and does not hold any shares in the Company.

Mr. Sushil Kumar Sethi shall not be paid any sitting fees for attending the meetings of the Board or Committees thereof.

Further, the Board of Directors, at the recommendation of the Nomination and Remuneration Committee, shall be authorised to increase, reduce, alter or vary the aforesaid terms of remuneration, allowances and perquisites, including monetary values thereof, at any time and from time to time, in such manner as the Board of Directors may, in its absolute discretion, deem fit, proper and necessary with requisite approvals as required under the Act.

The other requisite details of Mr. Sushil Kumar Sethi have been annexed hereto, marked as Annexure.

None of the Directors or Key Managerial Personnel of the Company except Mr. Subhash Chand Sethi, Mr. Sushil Kumar Sethi, Mr. Deepak Sethi and their relatives except to the extent of their shareholding, is in any way concerned or interested financially or otherwise in the proposed resolution(s) as set out in the Notice.

The Board of Directors of the Company recommends that the Resolution, as set out in Item No.8 be passed as a Special Resolution.

**By Order of the Board  
For SPML Infra Limited**

**Date: 30.05.2019  
Place: Gurgaon**

**Sd/-  
Abhay Raj Singh  
Company Secretary**

**DETAILS OF THE DIRECTORS RETIRING BY ROTATION /SEEKING APPOINTMENT/ RE APPOINTMENT AT THIS ANNUAL GENERAL MEETING**

| Name                     | Date of Birth & Age     | Date of Appointment | Qualification   | Brief Resume and Expertise in specific functional area  | Terms and Conditions of Reappointment   | Relationship between Directors inter-se   | Directorship held in other listed Companies | Membership/Chairmanship of Committees of Other Board | Shareholding   |
|--------------------------|-------------------------|---------------------|---|---|---|---|---|--|--|
| Mr. Subhash Chand Sethi  | 14.08.1954<br>(65 Yrs)  | 01.06.1984          | Graduate  | Has 42 years of experience in contract financing and contract execution and management. He brings with him a wealth of experience in contract financing and contract execution and management. Time and again, he has lead initiatives under challenging circumstance, complex terrains across the length and breadth of the country. A hard task master, his innovative leadership management is a source of constant inspiration.             | The proposed re-appointment of Mr. Subhash Chand Sethi shall be as the Whole time Director, who shall be liable to retire by rotation   | Mr. Sushil Kumar Sethi is brother and Mr Deepak Sethi is the son of brother of Mr. Subhash Chand Sethi  | Nil   | Nil  | 1,523,280 equity shares comprising 4.16% of the total Share Capital of the Company |
| Mr. Sushil Kumar Sethi   | 22.07.1958<br>(61 Yrs)  | 27.08.1981          | Graduate  | He has experience of more than four decade in execution of EPC contracts relating to water supply, power and infrastructure development projects.   | The proposed re-appointment of Mr. Sushil Kumar Sethi shall be as the Managing Director, who shall be liable to retire by rotation  | Mr. Subhash Chand Sethi is brother and Mr. Deepak Sethi is the son of brother of Mr. Sushil Kumar Sethi | Nil   | Nil  | 1,056,985 equity shares comprising 2.88% of the total Share Capital of the Company |
| Mr. Sarthak Behuria      | 02.03.1952<br>(67 yrs)  | 12.08.2010          | BA, Economic (H), MBA   | Former Chairman of Indian Oil Corporation Ltd and Bharat Petroleum Corporation Ltd. He has a vast experience and leadership quality across Finance, HR, Marketing and Strategic Planning.   | The proposed re-appointment of Mr. Sarthak Behuria shall be as the Non-Executive Independent Director for the term of 5 years, who shall not be liable to retire by rotation            | None  | BLS International Services Limited          | 3  | Nil  |
| Mr. Prem Singh Rana      | 10.09.1946<br>(73 yrs)  | 10.02.2014          | B. Tech in civil Engineering, PG in Town and County Planning, Ph. D in Transport Engineering and Management | Former Chairman and Managing Director of Housing and Urban Development Corporation (HUDCO). He has also been awarded Honorary Doctorate in Civil Law from University of Newcastle upon Tyne (U.K.)  | The proposed re-appointment of Mr. Prem Singh Rana shall be as the Non-Executive Independent Director for the term of 5 years, who shall not be liable to retire by rotation            | None  | Nil   | Nil  | Nil  |
| Mrs. Pavitra Joshi Singh | 12.12.1977<br>(42 yrs.) | 25.02.2019          | MBA-Human Resource  | Has rich and diverse experience of more than 17 years and is working as Director Human Resource at Pepsi Co India and Head of Talent Acquisition -Asia, Middle East and North Africa. She has led a large teams and multiple cross functional groups across geographies. She also worked with American Express and Fair Isaac She was also recognized in the Women Ahead list of 2016 as one of Corporate India's fastest rising women leaders. | The proposed re-appointment of Mrs. Pavitra Joshi Singh shall be as the Non-Executive Independent Woman Director for the term of 5 years, who shall not be liable to retire by rotation | None  | Nil   | Nil  | Nil  |







## SPML INFRA LIMITED

CIN: L40106DL1981PLC012228

**Registered Office:** F 27/2, Okhla Industrial Area, Phase II, New Delhi – 110020

Tel.: 011-26387091 • Fax: 011-26386003 • E-mail: info@spml.co.in • Website: www.spml.co.in

### PROXY FORM (Form No. MGT-11)

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

|                            |   |
|----------------------------|---|
| Name of the Member(s)      | : |
| Registered Address         | : |
| E-mail Id                  | : |
| Folio No. /Client ID/DP ID | : |

I/We, being the member (s) of.....Shares of SPML INFRA LIMITED, hereby appoint

1. Name: .....  
Address: .....  
E-mail ID: ..... Signature: ..... or failing him/her
2. Name: .....  
Address: .....  
E-mail ID: ..... Signature: ..... or failing him/her
3. Name: .....  
Address: .....  
E-mail ID: ..... Signature: ..... or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 38th Annual General Meeting of the Company, to be held on Tuesday, the 24th September, 2019 at 03:30 pm at PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi – 110016 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. To consider and adopt the standalone and consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and Auditor's thereon.
2. To appoint a Director in place of Mr. Subhash Chand Sethi (DIN: 00464390) , who retires by rotation pursuant to Section 152 of the Companies Act, 2013 and being eligible offers himself for re-appointment.
3. To ratify the remuneration of Cost Auditor for the financial year 2019-20
4. Appointment of Mr. Pavitra Joshi Singh as an Independent Woman Director of the Company
5. Re-Appointment of Mr. Sarthak Behuria as an Independent Director of the Company
6. Re-appointment of Mr. Prem Singh Rana as an Independent Director of the Company
7. Re-appointment of Mr. Subhash Chand Sethi as the Whole Time Director of the Company
8. Re-appointment of Mr. Sushil Kumar Sethi as the Managing Director of the Company

Affix  
Revenue  
Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2019

Signature of Shareholder: \_\_\_\_\_

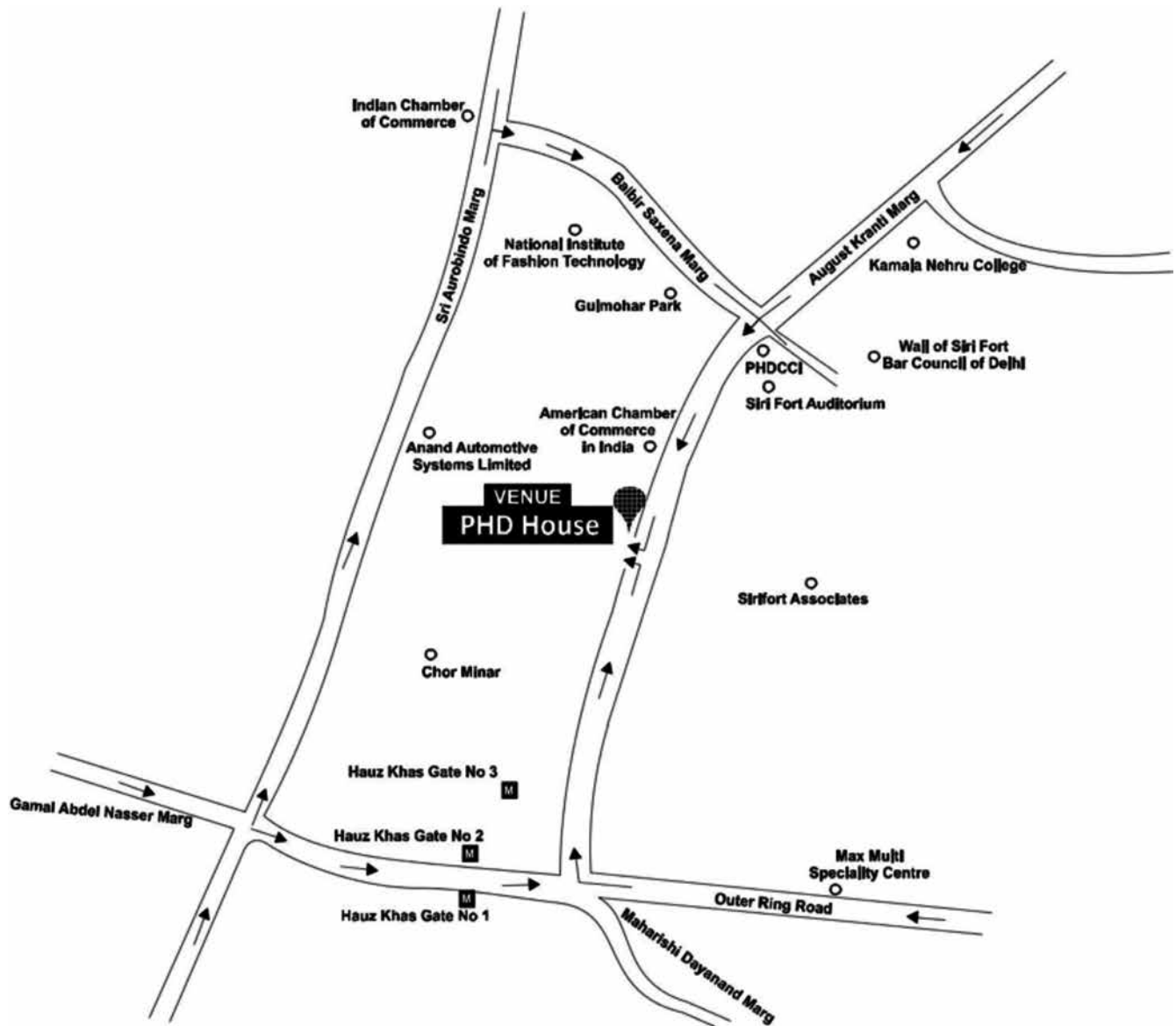
Signature of Proxy holder(s) \_\_\_\_\_

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting



## ROUTE MAP FOR THE 38TH ANNUAL GENERAL MEETING VENUE

PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi - 110016



## SHAREHOLDERS PARTICULAR FOR ELECTRONIC CLEARING SERVICES (ECS) MANDATE

To  
(In case of Physical Holding)  
Maheshwari Datamatics Private Limited  
A/c: SPML Infra Limited  
23, R N Mukherjee Road,  
5th Floor, Kolkata- 700 001

To  
(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





# SPML INFRA LIMITED



CIN: L40106DL1981PLC012228

Registered Office: F 27/2, Okhla Industrial Area, Phase II, New Delhi – 110020

Tel.: 011-26387091 • Fax: 011-26386003 • E-mail: info@spml.co.in • Website: www.spml.co.in

## ATTENDANCE SLIP

### 38<sup>th</sup> Annual General Meeting

Name of the Member  
(In Block Letters)

Name of Proxy, If any  
(In Block Letters)  
(In case Proxy attends  
the meeting in place of member)

DP ID/Client ID/Folio No.

No. of Shares held

I/We hereby record my/our presence at the 38<sup>th</sup> Annual General Meeting of the Members of SPML Infra Limited scheduled to be held on Tuesday, the 24<sup>th</sup> September, 2019 at 3:30 pm at PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi – 110016

Signature of the Proxy.....

Signature of the Member.....

Note:

- Members/Proxy holders are requested to bring this Attendance Slip duly filled in and signed with them when they come to the meeting and hand it over at the entrance of the Meeting hall.  
NO ATTENDANCE SLIP SHALL BE ISSUED AT THE MEETING.
- No briefcase, bag etc. shall be allowed inside the Meeting hall.
- Please bring your copy of the Annual Report to the Meeting.
- The Meeting is of members only and you are requested not to bring with you any person who is not a member or a proxy.

**NOTE: NO GIFTS/GIFT COUPONS SHALL BE DISTRIBUTED AT THE MEETING**

## E-VOTING PARTICULARS

| EVSN<br>(E-Voting Sequence Number) | USER ID | PASSWORD |
|------------------------------------|---------|----------|
|                                    |         |          |

**Note :** Please read instructions carefully given in the Notice of the 38<sup>th</sup> Annual General Meeting of the Company before casting your vote through remote e-voting.