SPLENDID METAL PRODUCTS LIMITED

(Formerly Known as Sujana Metal Products Ltd)

Date: 30.07.2020

To

The Department of Corporate Services – CRD, BSE Limited, P.J.Towers, Dalal Street, MUMBAI – 400 001. **Scrip Code: 513414**	National Stock Exchange of India Ltd, 5th Floor, Exchange Plaza, Bandra (E), MUMBAI – 400 051 **Scrip Symbol: SMPL**

Dear Sir/Madam,

Sub: Audited Financial Results for the Quarter and Year ended 31.03.2020-Reg

This is to inform you that the Resolution Professional and Directors of the Company at their adjourned meeting held on 30.07.2020, have approved the Audited Financial Results (Standalone and Consolidated) of the Company for the Quarter and Year ended 31.03.2020 alongwith the Audit Reports and Statement of Assets and Liabilities for the Financial year ended: 31.03.2020

This is for your information and record.

Kindly acknowledge the same.

Thanking You,

Yours faithfully,
For Splendid Metal Products Limited

Shaik Ibraheem
Company Secretary
(A Company under Corporate Insolvency Resolution Process by NCLT order No. CP(IB)No. 666/7/HDB/2018)

SPLENDID METAL PRODUCTS LIMITED

(Formerly Known as Sujana Metal Products Ltd)

SPLENDID METAL PRODUCTS LIMITED

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE YEAR AND QUARTER ENDED MARCH 31,2020

Rs.in lakhs

	Particulars	Standalone					Consolidated	
		Quarter ended			Year Ended		Year Ended	
		31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
	Part - I	(Refer Note No.02)	(Un Audited)	(Refer Note No.02)	(Audited)	(Audited)	(Audited)	(Audited)
1	**Revenue from operations**							
	(a) Gross Sales/Income from Operation	274.53	200.36	8,628.81	2,019.50	43,849.22	2,019.50	43,849.22
	(b) Other operating income	410.10	281.85	945.26	1,118.05	1,968.46	1,118.05	1,968.46
	Total income from operations (net)	**684.63**	**482.21**	**9,574.07**	**3,137.55**	**45,817.68**	**3,137.55**	**45,817.68**
2	Other income	132.09	12.18	(20.37)	160.60	53.42	164.81	73.42
3	**Total Income (1+2)**	**816.72**	**494.39**	**9,553.70**	**3,298.15**	**45,871.10**	**3,302.36**	**45,891.10**
4	**Expenses**							
	a) Cost of materials consumed	74.53	64.47	6,406.46	1,528.40	38,106.48	1,528.40	38,106.48
	b) Changes in inventories of finished goods, work in process and stock-in-trade	(389.23)	82.90	(53.48)	604.41	1,512.41	604.41	1,512.41
	c) Employee benefits expense	173.95	154.04	537.30	697.63	1,331.24	697.63	1,331.24
	d) Finance costs	2.10	0.88	45.29	3.89	179.60	4.07	179.76
	e) Depreciation and amortisation expense	747.09	748.39	779.66	3,897.27	3,137.95	3,952.95	3,197.49
	f) Other expenses	606.16	110.78	34,713.79	2,081.46	90,490.08	4,344.58	107,609.11
	Total expenses	1,214.60	1,161.46	42,429.02	8,813.06	134,757.76	11,132.04	151,936.49
5	**Profit before exceptional items & tax (3-4)**	**(397.88)**	**(667.07)**	**(32,875.32)**	**(5,514.91)**	**(88,886.66)**	**(7,829.67)**	**(106,045.39)**
6	**Exceptional Items**	**(53.62)**			**(53.62)**		**(53.62)**	
7	**Profit/(Loss) before tax (5+6)**	**(451.50)**	**(667.07)**	**(32,875.32)**	**(5,568.53)**	**(88,886.66)**	**(7,883.29)**	**(106,045.39)**
8	**Tax Expense**							
	(a) Current Tax		-			-		-
	(b) Deferred Tax	(75.33)	(1,015.58)	**(8,211.00)**	(1,229.03)	(19,933.75)	(1,230.28)	(19,935.19)
	Total Tax expense	**(75.33)**	**(1,015.58)**	**(8,211.00)**	**(1,229.03)**	**(19,933.75)**	**(1,230.28)**	**(19,935.19)**
9	**Net Profit after tax (7-8)**	**(376.18)**	**348.51**	**(24,664.32)**	**(4,339.50)**	**(68,952.91)**	**(6,653.02)**	**(86,110.20)**
10	**Minority Interest**	-	-	-			**(40.20)**	**(26.64)**
11	**Other Comprehensive income/(expense) net of taxes**	-	-	-	-	-	-	-
12	**Total Comprehensive income as per Ind AS (9+11)**	**(376.18)**	**348.51**	**(24,664.32)**	**(4,339.50)**	**(68,952.91)**	**(6,612.82)**	**(86,083.56)**
13	**Total Profit /(Loss) for the year attributable to :**							
	-- Owners of the Company	**(376.18)**	**348.51**	**(24,664.32)**	**(4,339.50)**	**(68,952.91)**	**(6,612.82)**	**(86,083.56)**
	-- Non controlling Interests							
14	**Other Comprehensive Income/(Loss)**							
	-- Owners of the Company	-	-	-	-	-		-
	-- Non controlling Interests	-						
15	**Total Comprehensive income /(Loss) for the year attributable to :**							
	-- Owners of the Company	**(376.18)**	**348.51**	**(24,664.32)**	**(4,339.50)**	**(68,952.91)**	**(6,612.82)**	**(86,083.56)**
	-- Non controlling Interests	-	-	-	-	-	-	-
16	**Paid-up equity share capital**							
	(Face value - Rs. 5 per equity share)				15,050.54	15,050.54	15,050.54	15050.54
17	**Other Equity excluding Revaluation Reserves**				(132,865.08)	(128,537.54)	(140,859.30)	(134,076.47)
18	Earnings per share (of Rs. 5 each) (before extraordinary items) (not annualised)							
	- Basic (Rs.)	(0.12)	0.12	(8.19)	(1.44)	(22.91)	(2.20)	(28.60)
	- Diluted (Rs.)	(0.12)	0.12	(8.19)	(1.44)	(22.91)	(2.20)	(28.60)
19	Earnings per share (of Rs. 5 each) (after extraordinary items) (not annualised)							
	- Basic (Rs.)	(0.12)	0.12	(8.19)	(1.44)	(22.91)	(2.20)	(28.60)
	- Diluted (Rs.)	(0.12)	0.12	(8.19)	(1.44)	(22.91)	(2.20)	(28.60)



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SPLENDID METAL PRODUCTS LIMITED

(Formerly Known as Sujana Metal Products Ltd)

Statement of Stand alone Assets and Liabilities

Rs.in lakhs

SL No	Particulars	Standalone		Consolidated	
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
A	**ASSETS**				
(1)	**Non- Current Assets**				
	(a) Property,Plant and Equipment	35,583.08	39,537.46	36,497.71	40,507.77
	(b) Capital work - in - progress	5,923.93	5,946.97	5,923.92	5,946.93
	(c) Goodwill on Consolidation	-	-	326.96	326.96
	(c) Deferred tax Asset(Net)	35,566.24	34,337.21	35,563.73	34,333.49
	(d) Financial Assets				
	(i) Investments	5,046.93	5,046.93	-	-
	(ii) Loans	998.91	998.85	1,125.66	1,125.60
	(iii) Other non-current assets	304.95	547.50	304.95	547.50
	Total Non current assets	**83,424.04**	**86,414.92**	**79,742.93**	**82,788.25**
(2)	**Current Assets**				
	(a) Inventories	1,607.31	2,297.92	1,607.31	2,297.92
	(b) Financial Assets				
	(i) Investments	3.80	5.00	3.80	5.00
	(ii) Trade receivables	41,674.54	42,115.39	46,522.11	46,570.95
	(iii) Cash and cash equivalents	3.42	6.03	3.43	6.04
	(iv) Bank balances other than (iii) above	93.74	114.75	106.99	127.62
	(v) Loans	6,009.74	6,370.01	6,794.15	6,890.27
	(c) Other current assets	34.28	14.28	34.28	54.60
		49,426.83	**50,923.38**	**55,072.08**	**55,952.40**
	TOTAL - ASSETS	**132,850.87**	**137,338.30**	**134,815.01**	**138,740.65**
B	**EQUITY AND LIABILITIES**				
1	**Equity**				
	(a) Equity Share Capital	15,050.54	15,050.54	15,050.54	15,050.54
	(b) Other Equity	(132,865.08)	(128,537.54)	(140,868.75)	(134,076.47)
	Equity attributable to owners of the company	**(117,814.53)**	**(113,487.00)**	**(125,818.21)**	**(119,025.93)**
	Non Controling Interest	-	-	**586.10**	**626.30**
	Total Equity	**(117,814.53)**	**(113,487.00)**	**(125,232.11)**	**(118,399.63)**
	Liabilities				
2	**Non- Current Liabilities**				
	(a) Financial Liabilities				
	(i) Borrowings	-	-	-	-
	(b) Provisions	205.03	205.03	205.03	205.03
	(c) Deferred tax liabilities (Net)	-	-	-	-
	(d) Other non - current liabilities	239.89	247.33	239.89	247.33
	Total Non-current liabilities	**444.92**	**452.36**	**444.92**	**452.36**
3	**Current liabilities**				
	(a) Financial Liabilities				
	(i) Borrowings	242,860.64	243,008.72	242,860.64	243,008.72
	(ii) Trade payables	2,725.77	2,450.48	9,757.59	8,723.34
	(b) Other current liabilities	2,797.31	3,030.11	5,133.15	3,076.53
	(c) Provisions	120.10	120.47	120.10	120.47
	(d) Current Tax Liabilities (Net)	1,716.66	1,763.16	1,730.72	1,758.86
	Total Current liabilities	**250,220.48**	**250,372.94**	**259,602.20**	**256,687.92**
	Total Equity and Liabilities	**132,850.87**	**137,338.30**	**134,815.01**	**138,740.65**
		(0.00)	(0.00)	(0.00)	0.00



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SPLENDID METAL PRODUCTS LIMITED

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SPLENDID METAL PRODUCTS LIMITED

Standalone Cash flow statement for the year ended 31st March 2020

Rupees in lakhs

		For the Year ended 31 March 2020	For the Year ended 31 March 2019
Cash flow from operating activities			
Net profit before tax		**(5,514.91)**	**(88,886.66)**
Adjustments for:		-	-
Depreciation and amortisation		3,897.27	3,137.95
Loss on sale of fixed assets (net)		0.96	4.47
Finance costs		3.89	179.60
Interest income		(56.15)	(16.74)
Loss on sale of current investment		-	-
Adjustments to the carrying amount of current investments		1.20	5,781.38
Operating profit before working capital changes		**(1,667.74)**	**(79,799.99)**
Changes in working capital:		-	-
Adjustments for (increase) / decrease in operating assets:		-	-
Inventories		690.61	2,714.88
Trade receivables		440.85	80,164.15
Long-term loans and advances		(0.06)	12.75
Short-term loans and advances		360.27	8,615.66
Other current assets		-	-
Other non current assets		-	
Adjustments for increase / (decrease) in operating liabilities:		-	-
Trade payables		275.29	(10,226.64)
Other current liabilities		(252.81)	(2,370.05)
Other long-term liabilities		(7.43)	(50.13)
Other Short-term liabilities		11.60	74.37
Provision for employee benefits		-	-
Cash generated from operations		**(149.42)**	**(865.00)**
Net income tax paid		(46.49)	(91.68)
Net cash flow from operating activities	**(A)**	**(195.91)**	**(956.68)**
Cash flows from investing activities			
Capital expenditure on fixed assets and capital advances paid		(30.56)	804.02
Receipt of capital advances		-	-
Proceeds from sale of fixed assets		56.14	10.89
(Increase)/decrease in restricted cash		242.55	(291.93)
Advances given to subsidiaries (Increase)/Decrease		-	2,051.71
Advances realised from subsidiaries		-	-
Perminent Decrease in non current investments		-	(2,051.71)
(Increase)/Decrease			
Foreign Currency Translation Adjustment			
Proceeds from sale of current investment- mutual fund units		-	-
Income from current investments received		-	-
Interest received		36.14	38.37
Net cash used in investing activities	**(B)**	**304.27**	**561.35**



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SPLENDID METAL PRODUCTS LIMITED

Standalone Cash flow statement for the year ended 31st March 2020

Rupees in lakhs

		For the Year ended 31 March 2020	For the Year ended 31 March 2019
Cash flow from financing activities		-	-
Proceeds from issue of share capital		-	-
Share premium received / Capital Reserve		-	-
Proceeds from long-term borrowings		-	-
Repayment of long-term borrowings		-	-
Increse in short-term borrowings		(148.08)	500.79
Dividend paid including tax there on		-	-
Interest and other borrowing costs paid		16.11	(201.23)
Net cash (used in)/from financing activities	**(C)**	**(131.97)**	**299.56**
		-	
Net (decrease)/increase in cash and cash equivalents (A + B + C)		(23.61)	**(95.77)**
Cash and cash equivalents at the beginning of the year		120.77	216.54
Exchange difference on translation of foreign currency cash and cash equivalents		-	-
Cash and cash equivalents at the end of the year		**97.16**	**120.77**
Notes:			
1. Cash Flow Statement has been prepared under the Indirect method as set out in the Indian Accounting Standard 7 on Cash Flow Statements.			
2. Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with banks with an original maturity of three months or less			
2. Reconciliation of Cash and cash equivalents with balance sheet:			
Cash and bank balances as per balance sheet		97.16	120.77
Less: Balances in earmarked accounts			
- balance held as margin monies		-	-
Net cash and cash equivalents at the end of the year		**97.16**	**120.77**



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SPLENDID METAL PRODUCTS LIMITED

Consolidated Cash flow statement for the year ended 31st March 2020

Rupees in lakhs

		For the Year ended 31 March 2020	For the Year ended 31 March 2019
Cash flow from operating activities			
Net profit before tax		**(7,829.68)**	**(106,045.39)**
Adjustments for:			
Depreciation and amortisation		3,952.95	3,197.49
Loss on sale of fixed assets (net)		0.96	-
Finance costs		4.07	179.76
Interest income		(60.36)	(20.00)
Loss on sale of current investment		-	-
Adjustments to the carrying amount of current investments		1.20	5,781.38
Operating profit before working capital changes		**(3,930.85)**	**(96,906.76)**
Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Inventories		690.61	2,714.88
Trade receivables		48.84	108,185.20
Long-term loans and advances		(0.06)	203.99
Short-term loans and advances		96.12	10,782.39
Other current assets		(59.98)	(0.01)
Other non current assets		-	-
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		1,034.25	(8,698.60)
Other current liabilities		2,068.61	(62,382.61)
Other long-term liabilities		(7.44)	(50.13)
Other Short-term liabilities		(0.37)	74.37
Provision for employee benefits		-	-
Cash generated from operations		**(60.27)**	**(46,077.28)**
Net income tax paid		(28.14)	(96.03)
Net cash flow from operating activities	**(A)**	**(88.41)**	**(46,173.31)**
Cash flows from investing activities			
Capital expenditure on fixed assets and capital advances paid		(30.60)	830.66
Receipt of capital advances			
Proceeds from sale of fixed assets		56.14	(15.77)
(Increase)/decrease in restricted cash		242.55	(291.93)
Advances given to subsidiaries (Increase)/Decrease		-	-
Advances realised from subsidiaries			
Perminent Decrease in non current investments			-
(Increase)/Decrease		-	
Foreign Currency Translation Adjustment		(131.42)	(11,086.96)
Proceeds from sale of current investment- mutual fund units			-
Income from current investments received		-	-
Interest received		80.66	1.34
Net cash used in investing activities	**(B)**	**217.32**	**(10,562.66)**

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SPLENDID METAL PRODUCTS LIMITED

Consolidated Cash flow statement for the year ended 31st March 2020

Rupees in lakhs

	For the Year ended 31 March 2020	For the Year ended 31 March 2019
Cash flow from financing activities		
Proceeds from issue of share capital	-	-
Share premium received / Capital Reserve	-	-
Proceeds from long-term borrowings	-	(61,387.89)
Repayment of long-term borrowings		
Increse in short-term borrowings	(148.08)	118,189.43
Dividend paid including tax there on	-	-
Interest and other borrowing costs paid	(4.07)	(161.10)
Net cash (used in)/from financing activities (C)	**(152.15)**	**56,640.44**
Net (decrease)/increase in cash and cash equivalents (A + B + C)	(23.23)	(95.53)
Cash and cash equivalents at the beginning of the year	133.66	229.19
Exchange difference on translation of foreign currency cash and cash equivalents		
Cash and cash equivalents at the end of the year	**110.43**	**133.66**
Notes:		
1. Cash Flow Statement has been prepared under the Indirect method as set out in the Indian Accounting Standard 7 on Cash Flow Statements.		
2. Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with banks with an original maturity of three months or less		
2. Reconciliation of Cash and cash equivalents with balance sheet:		
Cash and bank balances as per balance sheet	110.43	133.66
Less: Balances in earmarked accounts		
- balance held as margin monies		-
Net cash and cash equivalents at the end of the year	**110.43**	**133.66**



SPLENDID METAL PRODUCTS LIMITED

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Notes:

1. The above results have been reviewed and recommended by the Resolution Professional along with erstwhile Directors at their meeting held on 30th July 2020 .
2. The figures for the 4th quarter ended March 31,2020 and March 31,2019 are the balancing figures between the audited figures inrespect of the full financial year ended March 31, 20 and March 31,2019 respectively and published year to date figures upto third quarter ended December 31,2019 and December 31,2018 respectively.
3. The company primarly engaged in the manufacturing and trading of steel and steel products business, which in the context of IND AS 108, is considered as a single segment in the above disclosures.
4. Figures of the previous quarters/year have been regrouped and reclassified wherever necessary.
5. Interest Rs. 26,723.26 lakhs on borrowings from Banks,FIS for the FY 2019-20 not provided and reversal of power charges of Rs.318.21 lakhs of non operating units for the FY 2019-20, had this provided the accumulated loss would have been increased from Rs.5514.91 lakhs to Rs.32556.38 lakhs. The dues to Banks/Fis as on 31.03.2020 as per company are Rs.2,42,790.64 lakhs, where as the actual claims made by Banks/FIs and admitted by Resolution Professional are Rs.627652.66 lakhs.
6. Punjab National Bank filed before NCLT,Hyderabad bench, Hyderabad, is admitted and the commencement of the Corporate Insolvency Resolution Process against the company is ordered which ordinarly shall get completed with in 180days, reckoning from the day this order is passed i.e 04-April-2019 (Posted in Website on 16th April 2019).
7. Sri T.Sathisan, Resolution Professional of the company authorised to Sri G.S Raju to sign Financial results on his behalf off.
8. The above results will be placed on www.sujana.com

Place :Hyderabad
Date : 30th July 2020

For Splendid Metal Products Ltd

Director



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T. RAGHAVENDRA & ASSOCIATES
Chartered Accountants
No. 22, Krishna Apartments, 5th Floor,
Tilak Road, Abids, Hyderabad - 500 001.
Phones : 2475 2031, 2475 2032

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL STANDALONE FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

To
The Resolution Professional,

SPLENDID METAL PRODUCTS LIMITED

1. We have audited the accompanying Standalone annual Financial Results of Splendid Metal Products Limited ("(hereinafter referred to as the Company") Quarter ended March 31, 2020 and for the year ended March 31, 2020 (" Standalone annual financial results "), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

2. This Statement, which is the responsibility of the Company's Management and approved by Mr. Sathisan, Resolution appointed, by NCLT,Hyderabad Bench, vide order dated 04/04/2019 and Managing Director of the Company, has been compiled from the related standalone IND AS financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 at the Companies Act, 2013 read with relevant rules issued there under ('IND AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such standalone financial statements.

3. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results 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 standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the standalone annual financial results

4. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

   a) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

   b) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information for the year ended 31 March 2020

T. Raghavendra & Associates * Chartered Accountants * FRN:003329S M.No:023806

T. RAGHAVENDRA & ASSOCIATES
Chartered Accountants
No. 22, Krishna Apartments, 5th Floor,
Tilak Road, Abids, Hyderabad - 500 001.
Phones : 2475 2031, 2475 2032

Basis for Qualified Opinion

(i) The Company has defaulted in repayment of dues to Banks/Financial Institutions and all loans outstanding were classified as NPA's and were recalled by all the Banks. Note 5 forming part of the Statement regarding Interest on Working Capital Loans, Term Loans and Electricity power charges for the last three quarters of non-operating units. The accumulated loss as on 31st March 2020 would have been increased from Rs. 1,79,873.50 lakhs to Rs.261,675.52 lakhs had the company provided for the same.

Emphasis of Matter

We Draw attention to the following

(i) The Company has been continuously making losses consequently its net worth is negative and the Company's total liabilities exceeded Its total asset as at 31st March 2020 by Rs.(117,814.53 Lakhs). This indicates the existence of material uncertainty that may cast Significant doubt on the Company's ability to continue as going concern.

(ii) The dues to Banks/Financial Institutions as on 31.03.2020 as per company is Rs. 2,42,790.64 lakhs, whereas the actual claims made by Banks/FIs and admitted by Resolution Professional is Rs.6,27,652.66 lakhs.

(iii) The Trade receivable could not be verified as the confirmation of balances have not been received and made available to us. The company's Trade Receivables aggregating to Rs.69,344.06 Lakhs is more than three years old. The company has not provided any bad debts in the books of account during the quarter. We are unable to form an opinion on the extent to which the debts may be recoverable.

(iv) The Loans & advances could not be verified as the confirmation of balances have not been received and made available to us. The company's loans and advances aggregating to Rs.10,351.73 Lakhs is more than three years old. The company has not provided any bad debts in the books of account during the quarter. We are unable to form an opinion on the extent to which the debts may be recoverable.

(v) The Company's Capital advances to the extent of Rs. 5005.16 Lakhs We are unable to ascertain whether such balances are fully recoverable. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these advances are subsequently determined to be doubtful of recovery. Had the Company provided for the same, the loss for the period would have been higher by the said amount.

(vi) The Company has an advance of Rs.477.29 lakhs are more than 365 days old and hence shall be treated as Deposits received under the Companies Act 2013 and the same has to be returned within one year as per the provisions of the Act.

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(vii) With regard to investments in unquoted equities of subsidiary's for a value of Rs. 5,046.93 lakhs are valued at cost of investment however the present realizable value of these are not ascertained by the management hence the same is subject to current valuation.

(viii) A winding up petition filed by Standard Bank (Mauritius) Ltd., in the High Court of Telangana & Andhra Pradesh against the company for giving corporate guarantee for loan extended by the said bank to the step down subsidiary Optimix Enterprises Limited for Rs. 4,087.50 lakhsis still pending.

(ix) The Company is not regular in payment of undisputed statutory dues towards ESI, Provident Fund, TDS and Goods & Service Tax during the year ended 31st March 2020.

(x) Bank Statements were not made available with the Company for all the Banks except that of Vizag Branch. Interest calculations are on the basis of the last interest rates on the outstanding balances.

(xi) The GST Returns are yet to be reconciled for all the Branches except Vizag branch as GST returns are yet to be filed by the company.

(xii) On account of the COVID-19 related lock-down restrictions, we were not able to physically observe the verification of inventory that was carried out by the Management. Consequently, we have performed alternate procedures to audit the existence of Inventory as per the guidance provided by in SA 501 "Audit Evidence - Specific Considerations for Selected Items" and have obtained sufficient audit evidence to issue our unmodified opinion on these Standalone Financial Results.

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results as a whole arc 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 gr 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 annual financial results.

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 standalone annual financial results, whether due to fraud or error, design and perfom1 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 involvecollusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of standalone financial statements on whether the company has adequate internal financial controls with reference to standalone financial statements 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 in the standalone annual financial results made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 standalone annual financial results 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 standalone annual financial results, including the disclosures, and whether the standalone annual financial results 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 within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and -performance of the audit of financial information of entities included in the consolidated annual financial results. We remain solely responsible for our audit opinion.

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.

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Other Matters

This statement includes the results for the Quarter ended March 31, 2020 and the Year ended March 31, 2020 being the balancing figures between audited figures in respect of full financial year and the published unaudited year to date figures up to the third quarter of the respective financial years which were subject to limited review by us.

For T.Raghavendra & Associates
Chartered Accountants
(Firm Regn No:003329S)

T. Raghavendra & Associates ★ Chartered Accountants FRN:003329S M.No:023806

T.Raghavendra
Proprietor
Mem No 023806

Date: 30.07.2020
Place: Hyderabad
UDIN:20023806AAAAAU6697

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INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL CONSOLIDATED FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

To The Resolution Professional,

SPLENDID METAL PRODUCTS LIMITED

1. We have audited the consolidated financial results of Splendid Metal Products Limited('the Parent') its subsidiaries (collectively referred to as 'the Group") for the year ended March 31, 2020 included in the accompanying Statement of Financial Results for the year ended March 31, 2020 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the.' SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ("Listing Regulations').

2. This Statement, which is the responsibility of the Company's Management and approved by Mr. Sathisan, Resolution appointed, by NCLT,Hyderabad Bench, vide order dated 04/04/2019 and Managing Director of the Company, has been compiled from the related Consolidated IND AS financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 at the Companies Act, 2013 read with relevant rules issued there under ('IND AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such consolidated financial statements.

3. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results section of our report. We arc independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

4. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated annual financial results:

   a) includes theResults of subsidiaries as per Annexure -A
   b) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
   c) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information for the year ended 31 March 2020

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Basis for Qualified Opinion

(i) The holding Company has defaulted in repayment of dues to Banks/Financial Institutions and all loans outstanding were classified as NPA's and were recalled by all the Banks. Note 5 forming part of the Statement regarding Interest on Working Capital Loans and Term Loans for the last three quarters of non-operating units. The accumulated loss as on 31 March 2020 would have been increased from Rs. 1,92,166.06 lakhs to Rs.273,968.03 lakhs had the company provided for the same.

Emphasis of Matter

We Draw attention to the following

(i) The Holding Company has been continuously making losses consequently its net worth is negative and the Company's total liabilities exceeded Its total asset as at 31st March 2020 by Rs.(125818.21 Lakhs). This indicates the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as going concern.

(ii) The dues to Banks/Financial Institutions as on 31.03.2020 as per company is Rs. 2,42,790.64 lakhs, whereas the actual claims made by Banks/FIs and admitted by Resolution Professional is Rs.6,27,652.66 lakhs.

(iii) The Trade receivable could not be verified as the confirmation of balances have not been received and made available to us. The company's Trade Receivables aggregating to Rs.89,293.16 Lakhs is more than three years old and in respect of which the company has provided only Rs.1,221.22 Lakhs Provision for debts in the books of account during the quarter. We are unable to form an opinion on the extent to which the debts may be recoverable.

(iv) The Loans & advances could not be verified as the confirmation of balances have not been received and made available to us. The company's loans and advances aggregating to Rs.11,124.26 Lakhs is more than three years old. The company has not provided any bad debts in the books of account during the quarter. We are unable to form an opinion on the extent to which the debts may be recoverable.

(v) The Holding Company's Capital advances to the extent of Rs. 5005.16 Lakhs We are unable to ascertain whether such balances are fully recoverable. Accordingly, we are unable to ascertain the impact, if any, that may arise in case any of these advances are subsequently determined to be doubtful of recovery. Had the Company provided for the same, the loss for the period would have been higher by the said amount.

(vi) A winding up petition filed by Standard Bank (Mauritius) Ltd., in the High Court of Telangana & Andhra Pradesh against the company for giving corporate guarantee for loan extended by the said bank for Rs. 4,087.50 lakhs is still pending.

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(vii) The Company has an advance of Rs.477.29 lakhs are more than 365 days old and hence shall be treated as Deposits received under the Companies Act 2013 and the same has to be returned within one year as per the provisions of the Act.

(viii) The Company is not regular in payment of undisputed statutory dues towards ESI, Provident Fund, TDS and Goods & Service Tax during the year ended 31st March 2020.

(ix) Bank Statements were not made available with the Company for all the Banks except that of Vizag Branch. Interest calculations are on the basis of the last interest rates on the outstanding balances.

(x) The GST Returns are yet to be reconciled for all the Branches except Vizag branch as GST returns are yet to be filed by the company.

(xi) On account of the COVID-19 related lock-down restrictions, we were not able to physically observe the verification of inventory that was carried out by the Management. Consequently, we have performed alternate procedures to audit the existence of Inventory as per the guidance provided by in SA 501 "Audit Evidence - Specific Considerations for Selected Items" and have obtained sufficient audit evidence to issue our unmodified opinion on these Consolidated Financial Results.

Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Management is responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net loss and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each entity 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 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 consolidated annual financial results 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 annual financial results by the Management and the Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the respective Management of the entities included in the Group are responsible for assessing the ability of each entity



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to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the entity orto cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the consolidatedAnnual Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results as a whole arc 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 gr 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 annual financial results.

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 annual financial results, whether due to fraud or error, design and perfom1 audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of consolidated financial statements on whether the company has adequate internal financial controls with reference to consolidated financial statements 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 in the consolidated annual financial results made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence



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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 consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results 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 within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and -performance of the audit of financial information of entities included in the consolidated annual financial results. We remain solely responsible for our audit opinion.

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

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

Other Matters

1. We have audited two subsidiaries and one stepdown subsidiary and We did not audit the financial statements of onesubsidiaries included in the consolidated financial results, whose financial statements reflect total assets of Rs.2795.35 lakhs as at March 31, 2020, total revenue of Rs.NIL lakhs, total net loss after tax of Rs.(-1.91lakhs) for the year ended on that date, as considered in the consolidated financial results. These un-audited financial statements / Consolidated financial statements and other financial information have been certified by the management and furnished to us, and our opinion on the statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries is based solely on the un-auditedfinancial statement/ consolidated financial statements certified by the management.

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2. The Statement includes the results for the quarter ended March 31, 2020 and year ended March 31, 2020 being the balancing figures between audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the respective financial years which were subject to limited review by us.

For T.Raghavendra& Associates
Chartered Accountants
(Firm Regn No:003329S)

T. Raghavendra & Associates FRN:003329S M.No:023806 Chartered Accountants

T.Raghavendra
Proprietor
Mem No 023806

Date: 30.07.2020
Place: Hyderabad
UDIN:20023806AAAAAV4179

Annexure A

List of Entities included in the Statement.

(i) Subsidiaries

1) Alpha Ventures Limited, Cayman Islands
2) Asian Tide Enterprises Limited, Hong Kong
3) Glade Steel Pvt Ltd , India

(ii) Step down Subsidiaries

1) Optimix Enterprises Limited, Mauritius