

Business Standard

SPML's debt to reduce significantly with Cabinet move

SPML Infra today said its debt will reduce significantly post Cabinet decision that allows release of 75 per cent of the arbitral awards against bank guarantee in cases where the award is challenged.

The company has a standalone debt of Rs 540 crore.

"The Cabinet decision that requires government agencies to pay 75 per cent of arbitral awards will result in SPML's debt being reduced significantly," the company said in a statement.

SPML has arbitration awards with interest of over Rs 250 crore and with the last week's Cabinet decision the company will get 75 per cent of this amount immediately, it said.

More than 50 per cent of the awards have already been upheld by the High Court and the Supreme Court, it said.

Similarly, claims worth around Rs 500 crore are in advance arbitration stage, it said adding, the Cabinet decision will further help SPML to secure these awards within 12 months.

SPML Infra is engaged in the business of infrastructure development which includes water management, water infrastructure development, waste water treatment, power generation, transmission and distribution, solid waste management and other civil infrastructures.

http://www.business-standard.com/article/pti-stories/spml-s-debt-to-reduce-significantly-with-cabinet-move-116090600700_1.html

SPML Infra Debt to reduce substantially with Cabinet decision on Arbitration Awards

SPML Infra Ltd has submitted to BSE a copy of Press Release dated September 06, 2016 titled "SPML Infra Debt to reduce substantially with Cabinet decision on Arbitration Awards".

<http://www.thehindubusinessline.com/companies/announcements/others/spml-infra-debt-to-reduce-substantially-with-cabinet-decision-on-arbitration-awards/article9075418.ece>

THE FINANCIAL EXPRESS

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<http://www.financialexpress.com/industry/companies/spmls-debt-to-reduce-significantly-with-cabinet-move/369037/>



SPML Infra up 14% as debt to reduce sharply on arbitration award

"The Union Cabinet decision that requires government agencies to pay 75 percent of arbitral awards will result in SPML's debt being reduced significantly," the Delhi-based infrastructure company said in its filing.

SPML Infra shares rallied further on Tuesday, rising more than 14 percent intraday as company's debt will reduce substantially with Cabinet decision on arbitration awards. The stock also surged 13 percent last Friday. "The Union Cabinet decision that requires government agencies to pay 75 percent of arbitral awards will result in SPML's debt being reduced significantly," the Delhi-based infrastructure company said in its filing. It has arbitration awards of Rs 250 crore. Hence, the company is expected to get Rs 187.5 crore (representing 75 percent of Rs 250 crore) subsequently.

Its claims worth Rs 500 crore are in advanced arbitration stage. "The cabinet decision will further help SPML to secure these awards within 12 months," the company said. It has standalone debt currently of Rs 540 crore. "Implementation of this directive will enable SPML and such other contractors to execute projects more effectively," Subhash Chand Sethi, chairman said.

http://www.moneycontrol.com/news/buzzing-stocks/spml-infra14-as-debt-to-reduce-sharplyarbitration-award_7411241.html



SPML Infra debt to reduce substantially with Cabinet decision

The Union Cabinet decision that requires Government agencies to pay 75% of arbitral awards will result in SPML's debt being reduced significantly. SPML has arbitration awards of over Rs 2.50 billion and with the last week's cabinet decision; the company should get 75 per cent of this amount subsequently.

Further, claims worth around Rs 5 billion are in advance arbitration stage. The cabinet decision will further help SPML to secure these awards within the duration of 12 months. SPML has a standalone debt of Rs 5.40 billion. Subhash Chand Sethi, chairman, SPML Infra, said, "We are pleased with the Cabinet's decision regarding payment of arbitration awards to infrastructure companies. With this directive SPML will immediately be able to reduce its debt substantially. Implementation of this directive will enable SPML and such other contractors to execute projects more effectively. This decision of the government will mitigate the encumbrances faced by executing agencies and foster the desired infrastructure growth in India. The directive will enable state/central agencies to promote the much needed infrastructure growth in various states."

<http://www.myiris.com/news/sector/spml-infra-debt-to-reduce-substantially-with-cabinet-decision/20160906101044199>



New Arbitration Guidelines Can Help Infrastructure Companies Reduce Debt

The government's approval of new arbitration guidelines will help in speedy resolution of claims pending in arbitration for years and provide much-needed liquidity for the infrastructure sector, companies say.

Under the new norms, the government will release 75 percent of the arbitration award against margin free bank guarantee in situations where the award has been given but has been contested by concerned authorities. Also, all arbitration cases will be resolved within one year.

The new regime, proposed by the National Institute for Transforming India (NITI) Aayog, will ensure that projects are not stalled, and the developer and its projects do not suffer from a lack of funds till a dispute is resolved.

The total amount currently tied up in arbitration is currently estimated at Rs 70,000 crore, according to a press note released by the government of India on August 31, 2016.

In the next 12-18 months, about 40 percent of the amount would be secured, according to filings by some infrastructure companies on the stock exchanges. The companies also told the stock exchange that their debt would be reduced in the range of 40-50 percent because of the government's decision. Hindustan Construction Company Ltd.'s debt could be halved following Cabinet's decision from their current debt of Rs 4,900 crore, the company said in a press release.

We are pleased with the Cabinet's decision on payment arbitration awards to the infrastructure companies. HCC will immediately be able to reduce its debt by almost half as a result and within 12-14 months, materially reduce it further.

Ajit Gulabchand, CMD, HCC

HCC currently has over Rs 3,200 crore tied up in arbitration, and with the new norm, the company can get about Rs 2,400 crore (75 percent of Rs 3,200 crore) freed immediately. The company is also confident that within the next 12 months, additional claims worth Rs 5,000 crore would be settled. Reliance Infrastructure Ltd., which has Rs 14,000 crore under various stages of arbitration for various projects, called this a 'bold and positive move' which will help revive stalled projects which suffer due to long settlement periods, the company said in a press release.

SPML Infra Ltd. currently has a standalone debt of Rs 540 crore and around Rs 500 crore are stuck in arbitration. The company said in a stock exchange filing that the government's directive will help reduce

debt immediately. "With this directive SPML will immediately be able to reduce its debt substantially. Implementation of this directive will enable SPML and such other contractors to execute projects more effectively," Subhash Chand Sethi, chairman of SPML Infra said.

For Patel Engineering Ltd., the guidelines can help the company reduce debt by as much as 55-60 percent, the company's Managing Director, Rupen Patel said in a stock exchange filing.

Analysts believe this can give a much-needed push to the infrastructure sector and the economy on the whole.

"It can impact the economy in a good way. The stuck infrastructure projects would be kick-started, which can trigger economic activity in the country." Gaurav Karnik, partner and leader, real estate and infrastructure at consulting firm EY India

<http://www.bloomberquint.com/business/2016/09/06/new-arbitration-guidelines-can-help-infrastructure-companies-reduce-debt>



Debt To Reduce Significantly With Cabinet Move: SPML Infra

SPML Infra on Tuesday said its debt will reduce significantly after a Cabinet decision that allows release of 75 per cent of the arbitral awards against bank guarantee in cases where the award is challenged.

The company has a standalone debt of Rs 540 crore.

"The Cabinet decision that requires government agencies to pay 75 per cent of arbitral awards will result in SPML's debt being reduced significantly," the company said in a statement.

SPML has arbitration awards with interest of over Rs 250 crore and with the last week's Cabinet decision the company will get 75 per cent of this amount immediately, it said.

More than 50 per cent of the awards have already been upheld by the High Court and the Supreme Court, it said.

Similarly, claims worth around Rs 500 crore are in advance arbitration stage, it said adding, the Cabinet decision will further help SPML to secure these awards within 12 months.

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<http://profit.ndtv.com/news/corporates/article-debt-to-reduce-significantly-with-cabinet-move-spml-infra-1455297>



SPML Infra Debt to reduce substantially with Cabinet decision on Arbitration Awards

The Union Cabinet decision that requires Government agencies to pay 75% of arbitral awards will result in SPML's debt being reduced significantly. SPML has arbitration awards of over Rs. 250 crores and with the last week's cabinet decision; the company should get 75% of this amount subsequently. Further, claims worth around Rs.500 crore are in advance arbitration stage. The cabinet decision will further help SPML to secure these awards within the duration of 12 months. SPML has a standalone debt of Rs.540 crore.

Subhash Chand Sethi, Chairman, SPML Infra commented, "We are pleased with the Cabinet's decision regarding payment of arbitration awards to infrastructure companies. With this directive SPML will immediately be able to reduce its debt substantially. Implementation of this directive will enable SPML and such other contractors to execute projects more effectively. This decision of the government will mitigate the encumbrances faced by executing agencies and foster the desired infrastructure growth in India. The directive will enable state/central agencies to promote the much needed infrastructure growth in various states.

Stock Commentary:

SPML Infra Ltd is currently trading at Rs. 86, up by Rs. 8.1 or 10.4% from its previous closing of Rs. 77.9 on the BSE.

The scrip opened at Rs. 79.5 and has touched a high and low of Rs. 89.1 and Rs. 79.5 respectively. So far 351277(NSE+BSE) shares were traded on the counter. The current market cap of the company is Rs. 285.5 crore.

The BSE group 'B' stock of face value Rs. 2 has touched a 52 week high of Rs. 108.8 on 13-Jul-2016 and a 52 week low of Rs. 52 on 29-Feb-2016. Last one week high and low of the scrip stood at Rs. 78.5 and Rs. 67.35 respectively.

The promoters holding in the company stood at 59.69 % while Institutions and Non-Institutions held 0.04 % and 40.27 % respectively.

The stock is currently trading above its 50 DMA.

SPML Infra Ltd

BSE 83.20 1.40 (1.71%)

NSE 82.90 1.25 (1.53%)

http://www.indiainfoline.com/article/news-top-story/spml-infra-debt-to-reduce-substantially-with-cabinet-decision-onarbitration-awards-spml-infra-share-price-116090600124_1.html
