



SPML Infra hits the roof on securing Rs 712 cr arbitration awards

12 April 2022

SPML Infra hit an upper circuit limit of 5% at Rs 69.45 after the company said it secured several arbitration awards worth Rs 712 crore from different clients in India.

SPML Infra said that it has secured several arbitration awards of cumulated amount of about Rs 712 crore (including interest upto 30 September 2019) for the projects from different clients in India.

The PSU clients, against whom the company has received the awards, have preferred to appeal the same, which are presently at various levels of hearing at the courts.

The company said it is confident of receiving the full amount of arbitral awards along with the interest upto the date of receipt in due course.

Further, SPML Infra added that it is in the final stages of filing several claims worth about Rs 3000 crore (\$393.4 million). This is over and above the arbitral awards of about Rs 712 crore that are expected to be realized in due course of time.

Out of the aforesaid Rs 712 crore, there is a clarity on about Rs 287 crore which have been partly received by the company. It also expects further deposit of sizeable amounts as per the directions of the courts. The amount realized by the company will be used for the reduction of debts of the lenders.

Subhash Sethi, chairman, SPML Infra commented, "The arbitration awards are encouraging and we are really pleased that our project claims have been upheld in the arbitration process. The arbitrators have issued the orders on merits. Sometimes, the delays in land acquisitions, drawing approvals and unforeseen changes in contractual conditions with other pressing issues makes it difficult for the construction companies to execute the projects. We are very hopeful that our contract claims will be substantiated in future as well and with the proactive approach of our government, I anticipate that the arbitration process in our country will be streamlined with the amendment of the Arbitration and Conciliation Act, and there should be a set limit of time to complete the exercise and grant the genuine claims to the contractors. The revised timelines as stipulated in the amendment of the Act, gives clear visibility to Company to realise the claims amounts through arbitration. It shall also help to settle the dues of the lenders much before the time estimated in the resolution plan and will help improve the realization value to the Lenders. However, the Company always prefers to settle the matter with mutual discussion with its clients."

SPML Infra is an infrastructure development company in India. It has executed over 650 projects in the area of drinking water, improved sewerage facilities, better municipal waste management, and lighting up homes.

SPML Infra reported net profit of Rs 1.09 crore in Q3 December 2021 as against net loss of Rs 27.42 crore in Q3 December 2020. Net sales fell 10.74% to Rs 276.01 crore in Q3 December 2021 over Q3 December 2020.

Source: Capitalmarket.com

