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## CHAIRMAN'S MESSAGE



### SUBHASH SETHI

Chairman  
SPML Infra Ltd.

*Dear esteemed shareholders,*

It is with immense pride and gratitude that our Company has completed another successful year in business. This annual report serves as a testament to the relentless efforts and dedication of our entire team, from the boardroom to the construction sites, who have worked determinedly to shape the future of our nation's water landscape. It will reflect upon the achievements, challenges, and aspirations of our esteemed organization in the fiscal year 2022-23.

The Indian economy exhibited robust resilience in 2022-23 amidst a global turmoil following the war in Ukraine. It recorded a growth of 7%, the highest among major economies in the world. The infrastructure sector witnessed the highest capex allocation, total cost of projects sanctioned by banks and financial institutions during 2022-23 increased to a record high of Rs.2,66,547 crore, highlighting the effect of the government's

efforts to push for robust infrastructure development. A Reserve Bank of India (RBI) report suggested that the infrastructure sector continued to attract the maximum capex projects.

Over the past year, we have continued to uphold our commitment to delivering world-class projects that redefine the landscapes of clean drinking water to people. Our unwavering focus on quality, sustainability, and cutting-edge technology has enabled us to overcome hurdles. From groundbreaking bulk water supply project in Gujarat to water loss management project in Bengaluru, our projects stand as testimonials to our dedication to water sector and transforming projects into sustainable and tangible realities.

I am elated to share that we have made substantial progress. We've sharpened our focus on water segments and completed



a number of water supply projects in Rajasthan, Gujarat, Delhi, and Manipur. These projects have helped us providing clean drinking water facilities to several million people in these states. During the year we have also completed a number of power substation projects funded by the World Bank, in Tripura, that have helped our esteemed clients to augment the quality of electricity supply in the designated areas, thus illuminating the lives of people. By adopting smart technology for project and operational management, we've positioned ourselves to ensure consistent project delivery.

It was an immense pride for us that we were chosen to play a pivotal role in the nation's water infrastructure development under the Jal Jeevan Mission. During the year, we were entrusted with a number of new projects under this flagship scheme in different states. I am confident that these high value projects, along with several others coming our way will help our company to write a new story of accomplishments and pride.

We are infusing innovation and modern technology and streamlining our processes to seamlessly execute projects and transitioning them into the digital realm. We have made substantial investments in advanced tools, automation, and digital platforms that have helped us for having seamless collaboration among project, procurement and finance teams. This collaborative approach empowered the Company to monitor each project's progress individually, identifying risks, and make well-informed decisions with the use of real time information. Our long term objective is to achieve incomparable project execution efficiency and enhanced productivity.

I am happy to inform you that the Company is recognised for its deep industry knowledge, integrated value proposition, sound business practices and strong project delivery parameters through a coveted Infra Focus Awards 2022 as Most Admired Company in Water Infrastructure conferred to us by The Economic Times. It is also moment of pride for us that our company has been featured amongst India's Top 100 Real Estate and Infrastructure Companies, according to a report published by the leading industry publication, Construction Week. Considering the extraordinary growth that we have achieved, it's no wonder that our Company is counted among the Best Infra Companies in India. The result is that SPML Infra has been an innovator and pioneer in India's water infrastructure sector. It is also a preferred partner for a number of esteemed departments and agencies under the aegis of central and states' governments and bilateral organizations for water related projects.

The health, safety, and well-being of our team members have remained paramount. We have implemented robust safety protocols to ensure the protection of our employees at all our project sites. Their unwavering commitment has been instrumental in driving our projects forward, even in the most challenging conditions.

Environmental sustainability has always been integral part to our business philosophy. As responsible corporate, we have integrated eco-friendly practices into our operations and management and using renewable sources as much as possible, reducing our carbon footprints and contributing to the development of greener and more sustainable future. Our social responsibility initiatives has also been unwavering, as we continue to invest in healthcare, and other community development initiatives.

As you are aware, the past three years have been significantly challenging for the infrastructure sector in India. Naturally, these challenges have had an impact on our Company's performance as well. However, despite these obstacles, the Company has managed to maintain profitability and sustain growth, albeit at a slower pace. In the fiscal year 2022-23, our recorded revenue stands at Rs. 883.14 Crore, accompanied by a profit of Rs. 2.93 Crore. This positive trajectory is indeed a favourable development, especially considering the Company's unfavourable profit figures in the previous fiscal year, primarily attributable to unforeseen circumstances.

My optimism remains steadfast, rooted in the fact that our Company has navigated even more formidable challenges in the past, during times when the organization was smaller and more vulnerable. Yet, we confronted those trials and emerged with increased strength. Our Company has since grown into a larger and more robust entity, and I have full confidence in both the resilience of our business model and the resourceful spirit of our team to successfully navigate this challenge as well.

As we move forward and embark on the next fiscal, I am confident that our values, our experiences, our strategies, and our people will continue to propel us to newer heights. Our collective efforts, guided by a shared vision of excellence, will ensure that we remain at the forefront in the water industry.

I extend my heartfelt gratitude to everyone who has played a part in our achievements this year. My gratitude to the board of directors for their valuable guidance, to our esteemed clients for continuing their trust on us, our bankers for their unwavering support, our supportive partners and suppliers, our dedicated employees, and our esteemed shareholders for being an integral part of our journey.

Your dedication, hard work, and belief in our mission are truly inspiring. Let us move forward with renewed energy, confidence in our ability to shape a brighter water future of the nation through our endeavors.

Warm regards,

**Subhash Chand Sethi**  
Chairman



# **STATUTORY REPORTS**

# DIRECTORS' REPORT

## Dear Shareholders,

The Board of Directors of your Company is pleased to submit their 42nd Annual Report on the operations and performance of the Company along with the audited financial statements for the year ended 31st March 2023.

## Financial Results:

The brief summary of the financial performance of the Company for the year under review along with the comparative figures for the previous year is summarized herein below:

₹ In Lakhs

PARTICULARS	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from Operations	87,779.58	85,309.69	88,314.31	95,177.28
Other Income	1,931.21	1,699.98	2,753.77	2,933.65
<b>Total Income</b>	<b>89,710.79</b>	<b>87,009.67</b>	<b>91,068.08</b>	<b>98,110.93</b>
Total Expenses	89,444.80	86,123.64	90,778.71	98,303.91
<b>Earnings before Interest, depreciation, tax and amortization (EBIDTA)</b>	<b>1,848.78</b>	<b>3,372.92</b>	<b>5,634.21</b>	<b>3,495.82</b>
Less:- Finance Cost	4,982.83	2,097.07	5,634.21	3287.74
Less:- Depreciation	297.51	389.82	319.16	401.06
Profit/ (Loss) before tax from continuing operations	265.99	886.03	289.37	(192.98)
<b>Tax Expenses of Continuing Operations</b>				
Less: - Current tax	54.94	329.58	261.45	345.65
Less: - Deferred Tax	-	(441.61)	(2.68)	(458.00)
<b>Earning before share of profit/ (loss) of associate and joint venture, with continuing operations</b>	<b>-</b>	<b>-</b>		<b>(80.63)</b>
Share of profit/(loss) of Associates & Joint Ventures	-	-	3.21	66.74
Minorities share of profit/(loss)	-	-	(5.28)	(46.08)
Profit/ (Loss) after tax from continuing operations	211.05	998.06	39.09	32.19
Profit/ (Loss) before tax from discontinued operations	-	-		-
<b>Tax Expenses of discontinued Operations</b>				
Less: - Current tax	-	-		-
Less: - Deferred Tax	-	-		-
Profit/ (Loss) after tax from discontinued operations	-	-		-
<b>Earning Before Tax (EBT)</b>	<b>265.99</b>	<b>886.03</b>	<b>292.58</b>	<b>(126.24)</b>
<b>Tax Expenses</b>				
Less: - Current tax	54.94	329.58	261.45	345.65
Less: - Deferred Tax	-	(441.61)	(2.68)	(458.00)
<b>Profit After Tax</b>	<b>211.05</b>	<b>998.06</b>		<b>32.19</b>
Other Comprehensive Income for the Year (Net of Taxes)	7.09	(21.19)	6.57	(21.20)
Total Comprehensive Income for the year	218.14	976.87	45.66	10.99
Earnings per share (in Rs.) - Basic and Diluted (Nominal value Rs.2 Per Share)	0.44	2.68	0.08	0.09

## Financial Performance

on Standalone basis, the Operating Revenue of your Company for the financial year ended 31st March, 2023 stood at Rs. 87,779.58 Lakh as compared to Rs. 85,309.69 Lakh in the previous year. The Net Profit for the year is Rs. 211.05 Lakh over the previous year Net profit of Rs. 998.06 Lakh.

On Consolidated basis, the Operating Revenue of your Company for the financial year ended 31st March, 2023 stood at Rs. 88,314.31 Lakh as compared to Rs. 95,177.28 Lakh in the previous year. The Consolidated Net Profit in Financial Year 2022-23 is Rs. 39.09 Lakh as compared to Net Profit of Rs. 32.19 Lakh in the previous year.

The financials of your Company has affected mainly due to delay in ongoing resolution plan on account of approval from the lenders, increase in finance cost etc.

## State of Company's Affairs

SPML Infra Ltd. is India's leading Public Listed Infrastructure Development Company with over four decades of experience in the public and private sectors. The Company has executed and commissioned over 650 large and medium infrastructure projects across India and created significant value for the country, thus touching lives of millions of people with provision of drinking water facilities, wastewater treatment, integrated sewerage network, better municipal waste management, power transmission & distribution and lighting up homes. The Company features among the World's Top 50 Private Water Companies and amongst India's 50 Best Real Estate & Infrastructure Companies. The Company operates on engineering, procurement, construction (EPC) segment and as on date, there is no change in the nature of business being undertaken by the Company.

The Company is mainly engaged in the water sector where there is enormous opportunity by way of Govt. spending and allocation of fund for the water infrastructure project. The govt. has allocated approximately 7.30 Lakh Crore to be spend in next few years which will give a good business prospect to the Company in the water sector by obtaining various contracts from the central/state Govt

## The key awards received by the company:

- The Economic Times Infra Focus Awards 2022 as most Admired Company in the Water Infrastructure Sector.
- Construction Times Awards 2023 for Best Water Project of the year.
- Indian Achievers Award 2022 for Business Leadership to Company's Chairman.

## Debt Resolution

The Lenders of the Company are still working on debt resolution of the Company as per the guideline and provision of the Reserve Bank of India and the management is quite hopeful that the debt resolution will be completed soon which will help the Company to grow and take the new businesses in the emerging market available in the water sector.

## Dividend

To cater the need of working capital requirement and other operational efficiencies, the Board of Director expresses their view to retain the profit into the Company and therefore, do not recommend any dividend for the financial year 2022-23

## 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 2023.

## Share Capital

During the year under review Company has converted part of an existing unsecured loan of Unsecured Creditors into Equity Shares and converted part of 0% Compulsorily Convertible preferential Shares (CCPS) of promoter and promoter group into Equity Shares on preferential basis.

The Company has allotted 2,742,790 Equity Shares of Rs. 2/- each fully paid-up at an issue price of Rs. 57/- each (including a premium of Rs. 55/- each) aggregating to Rs. 1563.39 Lakh on preferential basis by way of Conversion of Unsecured Loan into Equity. Company further converted 1,627,465 0% Compulsorily Convertible Preference Shares (CCPS) into 3,254,930 equity Shares at a conversion price of Rs. 50/- each (including a premium of Rs. 48/- each) aggregating to Rs. 1627.47 Lakh on preferential basis to improve the net worth of the Company and reduce the financial cost.

As on 31st March, 2023, the revised Equity Share Capital of the Company is Rs. 908.46 Lakh divided into 45,422,996 Equity Shares of Rs. 2/- each and Preference Share Capital of the Company is 1777.46 Lakh divided into 1,777,465 0% Compulsorily Convertible Preference Shares (CCPS) of Rs. 100/- each.

During the period under review there is no change in the Authorised Capital of the Company.

## Subsidiary Companies/ Joint venture Companies / Associate Companies

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read along 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 has been prepared and is forming the part of the Financial Statements of the Company.

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 in electronic mode 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

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), Whole Time Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for reappointment.

During the year under review Mr. Charan Singh resigned from the post of Directorship because of his appointment as Technical Member in NCLT.

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 by the resignation of Mr. Charan Singh, the Board of your Company on the recommendation of Nomination and Remuneration Committee appointed Ms. Arundhuti Dhar as an Additional Independent Director of the Company w.e.f 13th February, 2022 for a term of 5 consecutive years.

Further, as on the date of this report, Shareholder accorded their approval by way of postal ballot to appoint Ms. Arundhuti Dhar as an Independent Director of the Company for a term of 5 consecutive years.

All the Directors seeking appointment/re-appointment in the ensuing Annual General Meeting have submitted declarations that each of them meets 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.

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

As on 31st March, 2023 Mr. Subhash Chand Sethi Whole-time Director, Mr. Manoj Digga, CFO and Mrs. Swati Agarwal, Company Secretary continue 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.

### Board Diversity

Your Company understands and believes 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 is required evaluate its own performance along with the performance of the Committee and the individual director. The Board Evaluation Framework is conducted annually for all the Board Members on various factors viz Relationship with Stakeholders, Company’s performance, decision making, information flow etc. The Board evaluation is conducted through questionnaire having qualitative parameters and feedback based on rating

### 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)

### 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 2022-23 are given under the section Corporate Governance Report which forms the part of this report.

### 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, the separate meeting of the Independent Directors of the Company has been convened on 17th March, 2023 to review the matters as laid down in the aforesaid Schedule and Regulations.