

SPML Infra

17 August 2026

Operator: Ladies and gentlemen, good day and welcome to the SPML Infra Ltd. Q1 FY27 earnings conference call, hosted by Arihant Capital Markets Limited. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing "*" and then "0" on your touchtone phone. Please note that this conference is being recorded. I now hand over the conference to Mr. Rohan Baranwal from Arihant Capital Markets. Thank you, and over to you, sir.

Rohan Baranwal – Arihant Capital Markets: Hello, everyone. Very good afternoon, and welcome to the SPML Infra Ltd. Q1 FY27 earnings conference call hosted by Arihant Capital. From the senior management team, we have with us on the call today Mr. Manuj Singhal, Executive Director and CFO of the company; Mr. Malay Chakraborty, Group EVP and Projects; Mr. Sameer Patel, Chief Operating and Technical Officer, BESS; and Mr. Arun Agrawal, Vice President, Finance and Accounts.

Before we begin the earnings call, we must remind you that the discussions on today's call may include certain forward-looking statements and must therefore be read in conjunction with the risks that the company faces. I would now like to hand over the call to the management, Mr. Arun Agrawal, for his opening remarks. Thank you, and over to you, sir.

Arun Agrawal – Vice President Finance & Accounts: Good afternoon, everyone, and thank you for joining us for SPML Infra Ltd.'s Q1 FY27 earnings conference call. We sincerely appreciate your continued trust and interest in our company.

To begin with, as we begin FY27, India's infrastructure sector continues to evolve from capacity creation towards capability building, with water security, grid modernization, renewable energy integration, and energy storage emerging as fundamental pillars of the country's development goals. For SPML Infra Ltd., this evolution aligns closely with our long-standing strengths. Over four decades, we have built deep execution capabilities across water and power infrastructure, and over the past 2 years, we have transformed the company through disciplined bidding, balance sheet strengthening, and strategic investments into emerging segments. These investments are now beginning to translate into execution and scale.

Now let me briefly touch upon the industry environment. India's energy transition presents an equally compelling opportunity. The Union Budget 2026–27 allocated 109,029 crores to the energy sector, driving investments in transmission and grid modernization as renewable energy capacity expands. Over 100 gigawatts of base tenders have already been floated against a projected requirement of 236 gigawatts by 2031–32, representing one of the most significant infrastructure opportunities of the next decade.

Water remains one of India's most critical infrastructure priorities. With over 81% of rural households now covered under the Jal Jeevan Mission, the government has extended the mission to 2028 with a 67,670 crore Union Budget allocation and restructured it into JJM 2.0 with a total outlay of 8.69 lakh crores. Alongside AMRUT 2.0, Namami Gange, and river-linking programs, nearly 17 lakh crore of planned government investments across water infrastructure is expected to create a robust

Report is AI-generated and may contain inaccuracies.

pipeline over the medium term.

Against this backdrop, SPML continued to make meaningful strategic progress during this quarter. Our order book today stands at approximately 5,100 crores, providing healthy medium-term revenue visibility. More importantly, the quality of the order book continues to improve significantly. Only around 1,251 crores of orders relate to legacy projects, while the balance consists predominantly of projects carrying expected operating margins of 10% or higher. A sizable volume of business has started coming in from drinking water, irrigation, river linking, sewerage, power substations, and BESS, and the company is hopeful of surpassing its guidance of more than 5,000 crores in order intake in the current financial year, against which we have taken 1,293 crores of orders in Q1 and are L1 in 265 crores of orders.

On the manufacturing front, we continue to make encouraging progress at our Battery Energy Storage manufacturing facility at Supa MIDC, Pune. The first phase of our 2.5 gigawatt assembly line is fully ready. The company has also started obtaining various certifications from IEC and UL for its battery packs, which are required for supplying the containers to NTPC against its current order, and we are targeting to fulfill the NTPC order in Q4, subject to the requisite approvals. The line will subsequently be scaled to 5 gigawatts, together with an annual manufacturing capacity of 600 container units, to cater to future orders for battery packs and containers, for which the company is continuously bidding and approaching various EPC contractors as an OEM player. We expect the capacity enhancement from 2.5 gigawatts to 5 gigawatts, along with the container facility expansion, to be completed in the first half of FY28. Along with the orders for the aforesaid facility, which addresses a market potential of 208 gigawatts by 2030, up from 34.72 gigawatts in FY27, tenders in this space are coming in continuously, and the company participates on a regular basis based on its selected criteria.

The company holds a competitive advantage over other BESS players on account of its manufacturing facility and exclusive technology partnership with Energy Vault, US. This facility positions SPML as one of the early movers to manufacture advanced grid-scale Battery Energy Storage Systems under the government's Make in India initiative.

Turning to the status of our NTPC order, the advance has already been received from NTPC. Design and drawing approvals are expected to be completed by Q3 FY27. We anticipate the sample container being approved by NTPC by December and, subject to their approval, we will commence the supply of containers to NTPC in Q4. The same will be completed within their contractual timelines of FY28.

On the water and power front, we track a pipeline of about 134 upcoming projects worth close to 98,725 crores across 11 states, with irrigation and water supply making up over 80% of this value, reinforcing water infrastructure as the biggest growth driver in the public capex cycle. Key projects include the Wainganga-Nalganga river link of around 1 lakh crore, the Marathwada Water Grid of 37,600 crores, the Ken-Betwa links MP component of 24,300 crores, and the Tapi Basin mega recharge scheme of 19,200 crores. Additional tenders are progressing in Bihar, Odisha, Rajasthan, Gujarat, Kerala, and the Northeast, along with PSUs such as Steel Authority and NMDC.

We have significantly improved our financial position through disciplined deleveraging and strong promoter support. Our promoters have infused approximately 400 crores during the last 3 years,

Report is AI-generated and may contain inaccuracies.

helping our net worth double from approximately 500 crores to over 1,000 crores, while our debt-equity ratio has improved from 1.1x to 0.4x now. Our legacy debt position also continues to improve. Of the total outstanding obligation of around 700 crores, we have already repaid around 325 crores, with the balance of 375 crores fully backed by an arbitration award of approximately 678 crores along with accrued interest. In addition, the company has arbitration claims of around 4,526 crores, with nearly 40% expected to convert into awards over time based on past experience and records.

Reflecting this transformation, ICRA has upgraded our long-term rating to BBB Stable. Simultaneously, CRISIL has also assigned us a BBB Stable rating on our credit facilities. We have also enhanced our credit facility from 505 crores to 860 crores from reputed PSU banks. The augmentation is under process. We also have an approximately 300 crore surety bond line, ensuring adequate liquidity and sufficient banking limits to support our growing order book and larger project opportunities.

Coming to our financial performance, revenue grew 74% YoY to 286 crores, EBITDA increased 81% to 28 crores, and PAT increased 87% to 22.7 crores. EBITDA margin improved to 10% in Q1 FY27 from 9% in the corresponding quarter last year. On a QoQ basis, revenue remained largely flat, while EBITDA improved 17% over Q4 FY26. PAT declined 20% QoQ, largely on account of a one-time tax reversal in the Q4 FY26 numbers.

The company has achieved a growth of around 74% YoY in turnover, mainly on account of the execution of new orders obtained under SPML 2.0. The company is maintaining the turnover of the preceding quarter, as the turnover is mainly related to orders that were taken in the last 2 years, for which all the design and drawing approvals have already been obtained. This shows consistency in project execution. With the allotment of new orders and the expected orders that we are targeting in water, power, and BESS, whose impact will reflect mainly from Q4 FY27, the company is maintaining its guidance of an increase in turnover of more than 25% compared to the corresponding period in the last financial year.

The company has made a similar percentage improvement in profitability of around 87% on a YoY basis. Profit compared to the last quarter has also improved slightly because of a higher contribution from the new orders. The company has maintained its guidance of growth of more than 25% in profit compared to the last financial year. There is a reduction in other expenses, mainly on account of a reduction in legal and professional charges.

The company's realization from various projects is reasonably healthy, due to which the company was able to maintain a healthy FD position of around 150 crores as of June 30. The company will continue to manage its working capital requirement through an escrow mechanism in the water sector with suppliers, which reduces the working capital requirement substantially. However, the company is very comfortable regarding RBI realization from all its projects, due to which sufficient liquidity is available in the bank by way of fixed deposits.

Employee costs have increased due to the recruitment of new employees for the water, power, and BESS operations. Finance costs include interest on mobilization advances of 3.5 crores, 63 lakhs on account of BG commission, and 27 lakhs towards the Ind AS adjustment on ROU assets. The mobilization advance gives the company additional security on realization from the projects rather

Report is AI-generated and may contain inaccuracies.

SPML Infra

than creating a funding requirement, as the company has a sufficient FD balance in its bank account.

With a stronger balance sheet, a significantly improved order book, expanding capabilities across water, power transmission, and Battery Energy Storage Systems, and a clear execution roadmap, we are well positioned to participate in India's next phase of infrastructure development.

With that, I would now like to open the floor for questions. Thank you.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press "*" and "1" on their touchtone telephone. If you wish to remove yourself from the question queue, you may press "*" and "2". Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question is from the line of Shreya Gupta from Green Metro Asset Management. Please proceed with your question.

Shreya Gupta – Green Metro Asset Management: Good afternoon, sir. Thank you so much for the opportunity. My first question is that our order book for new orders is about 3,843 crores. I want to understand whether this excludes our JV partners' share.

Management: No, this is basically our share in the JV orders. This includes that.

Shreya Gupta – Green Metro Asset Management: So how much is excluding their share?

Management: All the JVs are different JVs with different percentages. Some are 26%, some are 51%, and some are 49%. We have included our share in this 3,800 crores.

Shreya Gupta – Green Metro Asset Management: So this is our share and does not include the JV's share? Also, since we are seeing our margins improving, to about 9.9% right now, am I right in believing that in the coming period we will be targeting margins of 12% as more orders increase?

Management: As we explained in our previous conference call, our strategy at this moment is that we do not take any order below a 10% margin. Therefore, it is always more than 10%. At the moment, the 3 orders that we have taken—Konark, Akre, and Indore—all have margins of more than 10%. So you can confidently estimate that for any order that we win at this moment, the profit margin, or EBITDA margin, will be more than 10%.

Shreya Gupta – Green Metro Asset Management: The margins from the project will be more than 10%. Also, are we looking to execute these legacy orders? I think they are about 1,250 crores. I believe that we can execute them by FY29.

Management: Most of the legacy orders will be executed this year and next year.

Shreya Gupta – Green Metro Asset Management: Okay, sir. One last question. For our BESS, you mentioned that for NTPC, the designing and everything will be completed by December this year. What kind of revenue are we expecting to book with respect to this? What is the approximate amount?

Report is AI-generated and may contain inaccuracies.

Management: For any of our orders, the time is mostly taken by design. All our EPC orders require design and drawing approvals. Depending on the order, 3 to 8–9 months are required for the approval of all the designs and drawings. Then, as per the schedule, we will continue delivering. If everything goes right, we can expect 200 to 300 crores of {? BESS ?} order execution in this financial year.

Shreya Gupta – Green Metro Asset Management: Okay, sir. Thank you so much, and all the best.

Management: Thank you.

Operator: Thank you. The next question is from the line of Aditya Banerjee, an individual investor. Please proceed with your question.

Aditya Banerjee – Individual Investor: Hi, thank you for the opportunity. My first question is: what is the FY27 revenue target and quarterly run rate?

Management: As Arun has already explained, and as we have stated in all our previous conference calls, we are maintaining revenue guidance of more than 25% growth over the last year. Revenue growth may be more than 30% over the last year, or more than that. Corresponding profitability will also grow accordingly. With the new orders, we will continue to provide updates every quarter. However, revenue growth, both in profitability and turnover, will be more than 25%.

Aditya Banerjee – Individual Investor: Okay, understood. My next question is: how much of the 50–100 crore FY26 spillover has already been billed in Q1?

Management: Pardon?

Aditya Banerjee – Individual Investor: How much of the 50–100 crore FY26 spillover has already been billed in Q1?

Management: It is a regular practice. It depends on the fact that these are government orders and various things are linked to the availability of cash flows for those projects. We continue to bill the customer accordingly. Whatever 50–80–100 crores we missed last year will be spread quarterly into this quarter and throughout the year.

Aditya Banerjee – Individual Investor: Okay, understood. My other question is: how much BESS revenue will come in FY27, and what will be the margin for it?

Management: As I told you, we are not taking any orders with a margin of less than 10%. The second point is that for {? BESS ?}, design and drawing approval is under process. We are submitting all the drawings. We expect all the approvals to be obtained from NTPC by December. Therefore, in Q4, we will have order execution from the {? BESS ?} unit. Approximately 200 to 300 crores is our target, subject to receiving all the approvals from NTPC.

Aditya Banerjee – Individual Investor: Okay, sir. Understood. Thank you so much.

Operator: Thank you. The next question is from the line of Khushi Solanki from KA Securities. Please proceed with your question.

Report is AI-generated and may contain inaccuracies.

SPML Infra

Khushi Solanki – KA Securities: I wanted to ask what the current status of NTPC is and when billing will start.

Management: Again, this is currently at the design and drawing approval stage. For NTPC, we have completed all the drawings, documentation, and the agreement. We have received the advance from NTPC. We have provided all the surety bonds required for performance and for the advance payment guarantee. The approvals have started coming in. We expect the approvals to be completed by December. Once the approvals are received, we will start delivering the containers.

We are expecting BESS revenue of 200 to 300 crores in Q4, subject to approval from NTPC of all the designs and drawings, as well as the draft container, which is essentially the model container that we will show them. That is our target for the NTPC order in this financial year.

Khushi Solanki – KA Securities: Understood. One more question: how much additional capex is required to execute the current order book and the BESS expansion?

Management: For BESS, we have already informed you that the total requirement for 5 gigawatts and the 600-unit container facility is 236 crores, which we have already financed. We have raised the equity, and the equity money is lying in the bank account. We require a 10 crore term loan for the container facility, and that has also been sanctioned. Therefore, all the funding requirements are available in the system, and we do not require anything further for this.

For BESS, all the LC limits and working capital are already included in the sanctioned limits with the banks. Therefore, I do not have any issue with execution either.

Khushi Solanki – KA Securities: Understood, sir. One last question: what is the one constraint that could prevent SPML from achieving more than 25% growth in FY27?

Management: It is the same risk that we carry when we leave home—the risk of a road accident. At the moment, we have all the design and drawing approvals for all the new orders that we have obtained. NTPC design and drawing approvals have started coming in. My {? BESS ?} container facility, this relining facility, has already been commissioned, so I do not have any problem with executing the containers. My capacity for 2.5 gigawatts is already built up, so I do not have any problem.

Logically, we do not have any issue that would prevent us from achieving 25% or more growth in the top line and bottom line. I am not finding any logical reason for not achieving this. If anything happens that is beyond anybody's imagination, I am not able to predict that.

Khushi Solanki – KA Securities: Okay, sir. That is all from my side. Thank you.

Operator: Thank you. The next question is from the line of Yashvi, an individual investor. Please proceed with your question.

Yashvi – Individual Investor: Hi, thank you for giving me this opportunity. My first question is: how much of FY27 revenue will come from the existing 5,000 crore order book?

SPML Infra

Management: As I told you, there will be more than 25% growth in revenue. Base revenue will be roughly around 200 to 300 crores, and the rest is in water. No, it is from the existing orders. This year, whatever orders we take will contribute very limited revenue, which will be reflected in the last quarter, because every order we take requires design and drawing approval. You will get some revenue from the new orders in Q4, and the rest will go into the next year.

Yashvi – Individual Investor: Okay. What is the actual FY27 EBITDA margin target excluding one-offs?

Management: 27?

Yashvi – Individual Investor: This year.

Management: This year, as I told you, it will be more than 25% in every area. In turnover, EBITDA, and PAT, it will be more than that. Based on the orders we continue to receive and execute, we will continue to provide updates in every conference call.

Yashvi – Individual Investor: Okay. That is all from me. Thank you.

Operator: Thank you. Ladies and gentlemen, anyone who wishes to ask a question may press "*" and "I" now. The next question is from the line of Utshav, an individual investor. Please proceed with your question.

Utshav – Individual Investor: Hi, sir. Thank you for taking my question. I wanted to know about the BESS project. Are we doing it exclusively for NTPC, or are there any other approvals in line as well?

Management: No, we are setting up this BESS relining manufacturing facility for everyone. It will cater to our EPC requirements for the BESS orders that we receive. It will also cater to the OEM requirements of other BESS contractors that receive BESS orders. Therefore, it will meet both requirements.

The container facility that we are creating will also be used for our BESS orders as well as for external customers. Therefore, this BESS manufacturing activity will contain both facilities, and the revenue stream will come from both sides.

One stream will be as an EPC player, for whatever orders we receive, such as the NTPC order that we have received and any future orders. As an EPC player, we will use the battery packs manufactured by us for our EPC unit. If any other EPC contractor receives a BESS order, we will supply our battery packs to them as an OEM. Therefore, there will be 2 revenue streams.

Utshav – Individual Investor: Regarding our BESS project, what you are saying is that the battery cells will be procured from Energy Vault, and then we will put them into our battery packs. Is that how it works?

Management: The technology is from Energy Vault, while the cells are imported from China. We convert the cells into battery packs at our unit. That battery pack is utilized in the container, whether it is our order container or a container for another EPC order. The same battery pack can go there as well.

Report is AI-generated and may contain inaccuracies.

SPML Infra

Everybody is importing the cells from China, so we will also import them. However, our pack and our container will use Energy Vault technology.

Utshav – Individual Investor: Understood, sir. We will probably start having revenue from the last quarter of this year, and next year we might be utilizing the full capacity that we have. Would the expansion plans start then, or how would you approach it?

Management: Regarding the expansion plan, as we explained in the opening remarks, there is a huge opportunity in BESS. There is a huge requirement, and there is a large government outlay that is continuously increasing. Therefore, a lot of tenders are coming in.

We have already started enhancing our battery pack capacity from 2.5 gigawatts to 5 gigawatts. That will be completed in the first quarter of next year. Container manufacturing has already started. We will continue receiving orders, and the capacity will be utilized. We have already undertaken this expansion; it is not linked to any specific future order.

Utshav – Individual Investor: Thank you, sir. One more thing: could you guide us on the revenue that we can generate per megawatt from the BESS plant? A ballpark figure will do.

Management: If it is 2.5 gigawatts, the revenue guidance will be between 2,000 and 2,500 crores. If it is 5 gigawatts, it will be roughly around 4,500 to 5,000 crores. That is the potential revenue generation from the BESS plant.

Utshav – Individual Investor: In this case, can the capacity be fully utilized, or will there be a utilization level of around 70–80% or 90%, or some similar figure?

Management: Given the type of orders we are receiving and the market availability, we are expecting sizable growth in capacity utilization during the current year and the next year. In the current year, we will start by executing our NTPC order. Next year, we will have good utilization of our 2.5 gigawatts, mainly 1 gigawatt for NTPC.

Vivek – Individual Investor: We will keep expanding our capacity. My second question is: when we advance, whenever that may be, will we also look to acquire additional land for factories, or will the expansion happen within the current factory? How would you approach this?

Management: Of the total 236 crores, we have acquired 25 acres of land. That 25 acres of land is not required for our 5 gigawatts or for our container facility. It is a much larger area because acquiring adjacent land is very difficult. Therefore, we have taken the larger area in view of our future growth in the BESS and container facilities. We have sufficient land for our growth requirements.

Vivek – Individual Investor: Okay, thank you.

Operator: Thank you. The next question is from the line of Aditya Rawal from Exential Research Partners. Please proceed with your question.

Aditya Rawal – Exential Research Partners: Yes, hello. Good afternoon, sir. Am I audible?

Management: Yes, yes.

Report is AI-generated and may contain inaccuracies.

SPML Infra

17 August 2026

Aditya Rawal – Exential Research Partners: My question is regarding a very large tender that was recently issued for a dumping yard in Ahmedabad. Does the company see any potential there?

Management: {? Piramana ?} dumping yard? Malay, would you like to comment on this?

Malay: Hello. Yes, sir. What happened in Ahmedabad? Where? The dumping yard?

Aditya Rawal – Exential Research Partners: Sir, in Ahmedabad, the government has issued the complete tender for the {? Piramana ?} dumping yard for waste management. The Olympics are also coming there in 2030. Therefore, the government is issuing many projects related to waste management and water management there.

Malay: No, we remain involved in whatever tenders come to us. Now we have to see whether they meet our criteria and requirements, and then we will definitely continue participating in them. We are regularly involved in such tenders. It is a regular online activity. Every month, we participate in tenders worth more than 10,000 crores. Therefore, we continue to participate in these tenders.

Whenever an opportunity arises and we believe that it meets our criteria, we continue participating. Gujarat is also our preferred state.

Aditya Rawal – Exential Research Partners: Okay. Thank you.

Operator: Thank you. Participants who wish to ask a question may press "*" and "1" at this time. Ladies and gentlemen, that was the last question from the participants. I would now like to hand over the conference to management for their closing comments. Thank you, and over to you.

Malay: Before Arun closes the comments, I would like to thank Arihant for publishing the report today. It captures most of all our aspects very properly. And now, Arun.

Arun: I would like to once again thank all of you for your continued interest and confidence in SPML Infra Ltd. This quarter reflects the tangible progress of our transformation journey: a stronger balance sheet, improved order book quality, encouraging momentum at our BESS manufacturing facility, and consistent execution across our water and power projects.

We remain firmly on track with our guidance for the year and are confident that the investments we have made over the past 2 years will continue to translate into sustained growth in scale and profitability. We look forward to updating you on our continued progress in the quarter ahead. Thank you once again for joining us today, and I hand over the call back to the moderator. Thank you.

Operator: Thank you. On behalf of Arihant Capital Markets Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

Report is AI-generated and may contain inaccuracies.