

# RELIANCE

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December 23, 2019

**BSE Limited**

Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400 001  
**BSE Scrip Code : 500390**

**National Stock Exchange of India Ltd**

Exchange Plaza, C-1, Block G  
Bandra-Kurla Complex, Bandra (East)  
Mumbai 400 051  
**NSE Symbol : RELINFRA**


Dear Sirs,

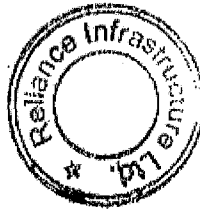
**Sub: Media Release – Reliance Infrastructure Wins Major Arbitration Award of Rs. 1,250 Crore Against Damodar Valley Corporation**

We enclose herewith a copy of the Media Release being issued by the Company on the above matter which is self explanatory.

Please inform your members accordingly.

Yours faithfully  
For Reliance Infrastructure Limited

  
Paresh Rathod  
Company Secretary



Encl: As above



Reliance Infrastructure Limited

**Corporate Office:**

8<sup>th</sup> Floor, South Wing

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## **MEDIA RELEASE**

### **RELIANCE INFRASTRUCTURE WINS MAJOR ARBITRATION AWARD OF Rs. 1,250 CRORE AGAINST DAMODAR VALLEY CORPORATION**

#### **RELIANCE INFRASTRUCTURE WILL REQUEST DAMODAR VALLEY CORPORATION TO PAY 75% OF AWARD IMMEDIATELY AGAINST BANK GUARANTEE, AS PER RECENT NITI AAYOG CIRCULAR**

#### **RELIANCE INFRASTRUCTURE TO UTILISE 100% OF PROCEEDS ONLY FOR DEBT REDUCTION**

**Mumbai, December 23, 2019:** Reliance Infrastructure Ltd. has won a major Arbitration Award of Rs. 1,250 crore against Damodar Valley Corporation (DVC), a Government of India undertaking. A three-member Arbitration Tribunal unanimously gave the award in favour of Reliance Infrastructure on December 21, 2019.

Reliance Infrastructure was the Engineering & Construction contractor for Damodar Valley Corporation's 2 x 600 MW Raghunathpur thermal power project in West Bengal commissioned in 2012. The Arbitration Tribunal awarded the case in favor of Reliance Infrastructure and directed Damodar Valley Corporation to pay Rs. 896 crore and return the Bank Guarantees of Rs. 354 crore within four weeks or pay additional interest, at the rate of 15% per annum, for any delay in payment beyond four weeks.

Pursuant to the recent Niti Aayog circular, Reliance Infrastructure will request DVC to pay 75% of the Arbitral Award against Bank Guarantee immediately.

The proceeds will be used to pay lenders and reduce the debt of the Company.

Regarding this award, Reliance Infrastructure spokesperson said, ***"This award by the Honorable Arbitration Tribunal is validation of the rightful position of the Company. It is critical for Indian EPC companies to be paid their dues on time so that they can participate in mega-infrastructure projects without the risk of getting bogged down by working capital issues."***

Damodar Valley Corporation is an Indian government organization established in 1948 and is India's first multipurpose river valley project, operating in West Bengal and Jharkhand.

## **TIMELINE AND FACTS OF ARBITRATION**

- A three-member Arbitration Tribunal on December 21, 2019 made the unanimous 3-0 Award in favour of Reliance Infrastructure Ltd.
- Reliance Infrastructure was the E&C contractor of Damodar Valley Corporation's 2 x 600 MW Raghunathpur Thermal Power Project in West Bengal with a contract value of Rs. 3,750 crore.
- After emerging the lowest bidder, Reliance Infrastructure was issued Letter of Acceptance on 11.12.2007 and unit 1 and unit 2 were to be commissioned in 35 and 38 months respectively.
- During execution, Reliance Infrastructure faced various impediments such as non-availability of land, hindrances at project site on account of local agitations, unavailability of inputs from DVC viz. water and coal etc.
- Despite such handicaps, the company commissioned the project. Unit 1 was commissioned on May 15, 2015 and Unit 2 was commissioned on February 23, 2016.
- The company also raised several claims on DVC in respect of delay and hindrances faced by it in execution of the project. However, DVC sought to levy liquidated damages upon the company for failure to adhere to the contractual schedule.
- Reliance Infrastructure invoked Arbitration and a three-member Arbitral Tribunal comprising of Presiding Arbitrator Justice Ganendra Naryan Ray, former judge of Supreme Court of India, and co-arbitrators Justices Ronojit Kumar Mitra, former Judge of Calcutta High Court, and Indrajit Chatterjee, also a former judge of Calcutta High Court, was formed.
- The Arbitral tribunal was constituted on August 1, 2017 and the first hearing was held on August 11, 2017.
- Reliance Infrastructure claimed for grant of extension of time, release of retention amount and performance bank guarantees withheld by DVC, compensation for increase in price, extended stay and other related claims.
- DVC also filed a counter-claim and sought to levy liquidated damages, claims towards loss of generation, additional interest on loans and other claims.
- The Arbitral Tribunal over 107 sittings dwelt on the rival claims of the parties and on December 21, 2019 pronounced its unanimous award in favour of Reliance Infrastructure.

### **Reliance Infrastructure Limited**

<http://www.rinfra.com>

Reliance Infrastructure Ltd is one of the largest infrastructure companies, developing projects through various Special Purpose Vehicles (SPVs) in several high growth sectors such as Power, Roads and Metro Rail in the Infrastructure space and the Defence sector.

Reliance Infrastructure Ltd is a major player in providing Engineering and Construction (E&C) services for developing power, infrastructure, metro and road projects.

Reliance Infrastructure Ltd through its SPVs has executed a portfolio of infrastructure projects such as a metro rail project in Mumbai on build, own, operate and transfer (BOOT) basis; and eleven road projects with total length of about 1,000 kms on build, operate and transfer (BOT) basis.

Reliance Infrastructure Ltd is also a leading utility company having presence across the value chain of power businesses i.e. Generation, Transmission and Distribution.

**Registered Office: Reliance Centre, Ground Floor, 19, Walchand Hirachand Marg, Ballard Estate, Mumbai 400 001**



<https://twitter.com/rinfraofficial>



<https://www.facebook.com/relianceinfrastructure/>

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