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Media Release

RInfra's SPV DAMEPL Exits Delhi Airport Metro Operation

- ***DAMEPL claims Termination Payment from DMRC for 130% of Equity and 100% of Debt Due***
- ***Termination owing to DMRC's failure to cure substantial defects in civil structure designed / built by DMRC***
- ***Material Breach and Event of Default by DMRC under the Concession Agreement***
- ***As legally advised, RInfra confident of recovering entire investment in DAMEPL***

New Delhi, July 1, 2013: Delhi Airport Metro Express Private Limited (DAMEPL), a Special Purpose Vehicle of Reliance Infrastructure Ltd. (RInfra), had terminated the Concession Agreement with the Delhi Metro Railway Corporation (DMRC) for the Delhi airport metro line nearly 9 months back, vide its notice dated 8th October, 2012.

The termination clause had to be invoked by DAMEPL, as DMRC had persistently failed to cure the substantial defects in the civil structure designed and built by DMRC, within the period prescribed under the Concession Agreement, and on account of Material Breach and Event of Default by DMRC arising under the Agreement as a result thereof.

Despite the lapse of 9 months and repeated requests by DAMEPL, DMRC failed to make alternate arrangements for taking over the operations of the metro line, even after the termination of the Concession Agreement in October 2012.

As a result, DAMEPL was compelled to serve a final notice on DMRC once again to take over the operations with effect from 1st July, 2013, as it was not possible for DAMEPL to continue the same indefinitely in the above situation.

This takeover of operations has now been completed.

As per the terms of the Concession Agreement, DMRC is now liable to pay DAMEPL a Termination Payment equal to 130% of the Adjusted Equity and 100% of the Debt Due for the project, as the termination has arisen owing to DMRC's Event of Default.

The matter has been referred to arbitration, in accordance with the dispute resolution mechanism specified in the Agreement.

As legally advised, DAMEPL's claims for the Termination Payment are fully justified and enforceable, and RInfra is confident of recovering its entire investment in DAMEPL.

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Reliance Infrastructure Limited

Reliance Infrastructure Ltd (RInfra) is the largest infrastructure company developing projects, through various Special Purpose Vehicles, in several high growth areas in the infrastructure sector i.e. Roads, Metro rail, Airports, etc. The Company is also the leading utility company having presence across the value chain of power businesses i.e. Generation, Transmission, Distribution, Trading and EPC.

The Company is developing two metro rail projects in Mumbai and operating the Airport Metro Express in Delhi; awarded eleven road projects with total length of 1,000 kms; operating and maintaining five airports in Maharashtra and developing 2 cement plants of 5 Mn tons each in Maharashtra and Madhya Pradesh.

RInfra generates 940 MW of power through its five power stations; distributes power to over 60 lakhs consumers in Mumbai and Delhi; developing five transmission projects including the first Independent Private Transmission project in India.

RInfra also provides Engineering Procurement & Construction (EPC) for implementing power and road projects.

Delhi Airport Metro Express Private Limited

Delhi Airport Metro Express Private Limited (DAMEPL), is a Special Purpose Vehicle (SPV) created to develop, operate and maintain India's first Airport Express Line in the country, on a public-private partnership (PPP) model. It is a consortium formed by Reliance Infrastructure Limited and Construcciones y Auxiliar de Ferrocarriles, S.A. (CAF) of Spain with 95% and 5% stake respectively. The Concessionaire has executed the entire project except the civil works for viaduct, tunnel and stations, which has been done by DMRC.

For more information contact:

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