

# Construction Week

BUSINESS

## Rs 712 crore arbitration awards secured & Rs 3000 crore claimed by SPML Infra

Out of the aforesaid Rs 712 crore, there is a clarity on Rs 287 crore

by [Staff Writer](#) April 12, 2022



SPML Infra has secured several arbitration awards of cumulated amount of Rs 712 crore (including interest upto 30th Sept, 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. SPML Infra is confident of receiving the full amount.

SPML Infra has substantial claims which are expected to be converted into arbitral awards in the next few years. The company has already filed its claims and is in the final stages of filing several claims with the value of Rs 3000 crore (\$393.4 mn) over and above the arbitral awards of Rs 712 crore that have been awarded and expected to be realized in due course of time.

It is well established that due to good corporate governance and proper claim management with digitally stored records and documents, the company is highly capable of converting most of the project claims into awards. From the historical track record and based on the various studies conducted on the subject by the company and different stakeholders, including lenders, SPML Infra expects higher realization of its claims, however, the lenders have conservatively considered the realization of Rs 1076 crore from claims & awards over a period of time in the on-going debt resolution plan, in-principally agreed by them. It gives reasonable clarity to the lenders for

recovering their sustainable & un-sustainable debts significantly much before the time being considered in the Resolution Plan.

Out of the aforesaid Rs 712 crore, there is a clarity on Rs 287 crore which have been partly received by the company at its bank account and also deposited with the Court.

Subhash Sethi, chairman, SPML Infra Ltd. 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 amount 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.”

ARBITRAL AWARDS	ARBITRATION AND CONCILIATION ACT	ARBITRATION AWARDS	CHANGES IN
CONTRACTUAL CONDITIONS	DELAYS IN LAND ACQUISITIONS	DRAWING APPROVALS	SPML INFRA
SUBHASH SETHI			