



Infrastructure Leasing & Financial Services Limited

June 27, 2021

The Sr. General Manager
Department of Corporate Services,
BSE Limited,
1st Floor, PJ Towers, Dalal Street
Mumbai 400 001

Sub: Media Release of Infrastructure Leasing and Financial Services Limited

Dear Sir / Madam:

Enclosed herewith is the Media Release for your information.

Sincerely,

Shekhar Prabhudesai
Company Secretary

Encl: a/a



MEDIA RELEASE

June 27, 2021, Mumbai

IL&FS GROUP RECEIVES RS 1,925 CRORE FROM HARYANA GOVERNMENT IN THE GURGAON METRO PROJECT CASE

IL&FS today received Rs 1,925 crore from Haryana Shehari Vikas Pradhikaran (HSVP) as interim termination payment in the Gurgaon Metro Project case.

This payment, duly received in escrow accounts, comes in compliance of Hon'ble Supreme Court's Order of March 26, 2021 that ruled in favor of IL&FS in the Gurgaon Metro Project - developed through ILFS subsidiaries and Special Purpose Vehicles (SPVs) - Rapid Metro Rail Gurgaon Limited (RMGL) and Rapid Metro Rail Gurgaon South Limited (RMGSL).

Further, appropriation of any amount from the escrow accounts shall be subject to further orders of the NCLAT or any other competent legal authority as per the said Order, which would be duly complied with by IL&FS.

The Hon'ble Supreme Court in its Order had directed HSVP to deposit 80% of total "debt due" (of over Rs 2,400 crore basis audit conducted by CAG), amounting to Rs 1,925 crore, within 3 months into the Escrow Accounts of the two SPVs.

Andhra Bank is the lead bank in the RMGL along with PNB, Indian Overseas Bank, Indian Bank, Punjab & Sindh Bank, UCO Bank, Bank of India and Dena Bank (presently Bank of Baroda).

Canara Bank is the lead bank in RMGSL along with Andhra Bank, Corporation Bank (presently Union Bank of India), Punjab & Sindh Bank, Central Bank of India and IIFC (UK) Ltd.

"The Supreme Court ruling on March 26, 2021, followed by HSVP's compliance with the order and transfer of the payable amount to the IL&FS Group entities, will go a long way in protecting the interest of stakeholders/Lenders in the Indian infrastructure sector. This ruling will also set a precedence for other projects wherein Infrastructure companies, including IL&FS, are seeking payment of their legitimate dues and enforceability of valid contracts and concession agreements with various State Governments" said the company spokesperson.

This resolution of Rs 1,925 crore forms part of the Rs 61,000 crore total recovery estimated by the New Board which represents resolution of over 61% of overall debt of approx. Rs 99,000 crore (fund based and non-fund based) as of October 2018.

Either party - IL&FS SPVs and HSVP - have the liberty to refer any disputes relating to other rights under the Concession Agreement, as well as those arising from the Audit Report commissioned by CAG for determining the debt due, to Arbitration, as per the Supreme Court ruling.



IL&FS had bagged the two-phased Gurgaon Metro Project developed through RMGL and RMGSL in 2009 and 2013.

Due to multiple unmet obligations by the HSVP, RMGL and RMGSL had terminated the concession agreements in September 2019 and demanded termination payments as per the Concession Agreement under authority event of default.

HSVP had however refuted the contention of RMGL and RMGSL citing concessionaire event of default and challenged the matter in High Court of Punjab and Haryana.

The High Court ruled in September 2019 that O&M of the Metro Link be handed over to HSVP; directed CAG to carry out financial audit of total Debt Due; and thereafter HSVP to pay 80% of Debt Due determined by CAG in the escrow account within 30 days of submission of CAG report; and sought that all other disputes be settled through arbitration. The 80% of Debt Due represents the minimum amount payable across either event - viz concessionaire event of default or authority event of default.

HSVP had consented to the High Court order and accordingly took over the Metro Link Project operations in October 2019 thereby resulting in no inconvenience to general public.

Further the audit of debt due was conducted by an independent firm of Chartered Accountants appointed by CAG and the scope of the audit was decided after considering inputs received from both IL&FS and HSVP.

The Auditors appointed by CAG submitted their report on Debt Due which was determined to be Rs 2,407 crore and was taken note by the High Court on September 28, 2020.

IL&FS SPVs, thereafter, moved the Supreme Court in January 2021 after HSVP did not comply with the HC order; refused to meet obligations and did not pay compensation despite CAG submitting the audit report.

For Media Queries

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