

Copyrights © 2014 Business Standard Ltd. All rights reserved.

Fri, 21 Jun-19; Business Standard - Ahmedabad; Size : 243 sq.cm.;
Circulation:24430; Page : 5

IL&FS gets approval to revive Birpur-Bihpur road project

AMRITHA PILLAY
Mumbai, 20 June

Financially troubled IL&FS Engineering and Construction Company is witnessing early improvement in its road portfolio with a go-ahead to start work on one of its road projects, which was earlier up for foreclosure. The company also saw settlement of one of its arbitration claims earlier this month.

"This is to inform that IL&FS Engineering and Construction Company Limited has received approval from Ministry of Road Transport and Highways (MoRTH) on June 14, 2019, for revival/restart of the road project which was previously referred for amicable foreclosure by the Competent Authority," the company said in a statement to BSE.

IL&FS added in view of the changed scenario, the company decided against the foreclosure and had sought permission for executing the project.

"IL&FS Engineering and Construction Company has received approval from Ministry of Road Transport and Highways (MoRTH) for restart of the project regarding Rehabilitation and Upgrading of 2 lanes/2 lane with paved shoulders configuration and strengthening of Birpur—Bihpur Section (from km. 0.0 to km. 106.00) of NH—106 in the State of Bihar



under Phase—1 of National Highways interconnectivity Improvement Projects (NHIIIP)," the company said in its release. Work on the project is expected to start within 15 days from the receipt of the Ministry's consent.

On 10th June, the company also informed exchanges that it entered into a settlement agreement with National Highways Authority of India (NHAI), against the Arbitration Award in relation to two of its road projects. The company said it has received ₹41.82 crore as claim amount for its Daboka to Nagaon section of NH-36 in Assam. In addition, it has also

received ₹108.33 crore as claim amount for Dharamtul to Sonapur Section of 108 33 NH-37 in Assam. The arbitration settlement and approvals come after a spate of project terminations seen at the start of the year. In January this year, Gujarat Metro Rail Corporation terminated a couple of contracts given to the company due to slow progress. In the same month, Jharkhand Bijli Vitran Nigam also cancelled contracts for the same reason. In the course of last one year Rail Vikas Nigam and Maharashtra Metro Rail Corporation also terminated contracts with the company over slow progress.