

GURGAON METRO PROJECT CASE

IL&FS gets ₹1,925 cr from HSVP

OUR BUREAU

Mumbai, June 27

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

IL&FS had bagged the two-phased Gurgaon Metro Project developed through subsidiaries and Special Purpose Vehicles (SPVs) - Rapid Metro Rail Gurgaon Limited (RMGL) and Rapid Metro Rail Gurgaon South Limited (RMGSL) - in 2009 and 2013.

Unmet obligations

Due to multiple unmet obligations by 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 the 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 per cent of debt due determined by CAG in the escrow account within 30 days of submission of CAG report. It also sought that all other disputes be settled through arbitration.

HSVP had consented to the High Court order and, accordingly, took over the Metro Link Project operations in October 2019, thereby resulting in no in-

convenience to the 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.

Debt due

The auditors appointed by CAG submitted their report on debt due, which was determined to be ₹2,407 crore, and was taken note by the High Court on September 28, 2020.

The payment received by IL&FS escrow accounts comes in compliance of Supreme Court's order on March 26 that ruled in favour of IL&FS in the Gurgaon Metro Project.