

SC directs Haryana govt to pay ₹1,925 cr to IL&FS

Matter relates to the two-phase Gurugram metro rail project

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In a relief to beleaguered IL&FS, the Supreme Court on Friday directed the Haryana government to pay ₹1,925 crore to the infrastructure company after the Haryana Shehri Vikas Pradhikaran (HSVP) failed to pay dues to the firm.

IL&FS had bagged the two-phase Gurgaon Metro Project, which was developed through its subsidiary SPVs, Rapid Metro Rail Gurgaon and Rapid Metro Rail Gurgaon South, in 2009 and 2013.

The apex court said, "HSVP shall within a period of three months from the date of the present judgment deposit into



IL&FS had bagged the two-phased Gurgaon Metro Project — Rapid Metro Rail Gurgaon and Rapid Metro Rail Gurgaon South — in 2009 and 2013, respectively

the escrow account 80 per cent of the debt due." The total debt due is over ₹2,400 crore.

The deposit into the escrow account shall continue to be maintained in the escrow, subject to any order passed by

NCLAT or any other competent statutory authority, the order said. Due to multiple unmet obligations by HSVP under the concession agreement IL&FS SPVs had terminated the agreements in September 2019 and

demanded certain termination payments due to it. HSVP, however, refuted the contention of IL&FS SPVs and challenged the matter in the High Court of Punjab and Haryana.

The HC after hearing both parties, ruled in September 2019 that Operations and Maintenance of the MetroLink be handed over to HSVP.

It directed CAG to carry out a financial audit of total debt due. Thereafter, HSVP had to pay 80 per cent of debt due (as 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 project was handed over to HSVP in October 2019, as per court orders.

Auditors appointed by CAG submitted their report on debt due and determined the same at ₹2,407 crore. The report was taken note of by the court on September 28, 2020.