

# Rapid Metro: Haryana told to deposit ₹1.9k cr for now

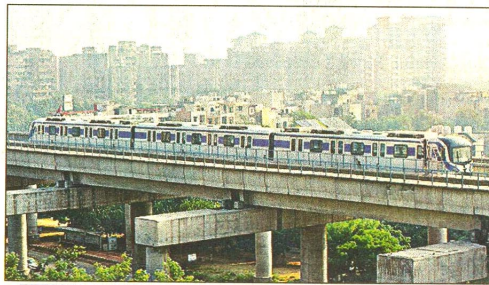
## To Keep It In Escrow A/c During case With Infra Firm

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**Gurgaon:** The Haryana government has been directed by the Supreme Court to deposit Rs 1,925 crore within three months into an escrow account while hearing a dispute between the state's urban development authority, HSVP, and infrastructure company IL&FS on the Rapid Metro corridor in Gurgaon.

IL&FS had in September 2019 terminated the Rapid Metro concession agreement, alleging there were multiple obligations that HSVP had not met and demanded payments due to them under the concession agreement. The Supreme Court has asked HSVP to deposit 80% of the total "debt due" (Rs 2,407 crore).

HSVP said it is planning to seek legal opinion and might file a review petition. "I



### IL&FS SPOKESPERSON SAYS

**We welcome the SC decision. The order will go a long way in protecting the interest of investors by enforcing legitimate contracts in the infrastructure sector**

am yet to go through the entire order; but as of now, we will be seeking a legal opinion on this matter," Ajit Balaji Joshi, HSVP chief administrator, told TOI on Saturday. Joshi is also managing director of Haryana Mass Rapid Transport Corporation (HMRTC).

IL&FS had bagged the Rapid Metro project, which was developed through its subsidiary SPVs - Rapid Metro Rail Gurgaon Limited (RMGL) and Rapid Metro Rail Gurga-

on South Limited (RMGSL) - in 2009 and 2013, in two phases. According to the concession agreement, the asset was to be handed over to HSVP in case of a termination of the agreement and IL&FS was entitled to termination payment of 80% of the debt due in case IL&FS defaults and 100% of the debt due in case HSVP defaults.

HSVP challenged this in the Punjab and Haryana high court in September 2019. The high co-

urt, after hearing both parties, directed IL&FS to hand over operations and maintenance of Rapid Metro to HSVP. It also asked the Comptroller & Auditor General to carry out a financial audit to determine total debt due and directed HSVP to pay 80% of debt due as determined by CAG.

Acting on HC order, IL&FS handed over Rapid Metro to HSVP in October 2019 and CAG submitted the debt due report to the HC in September 2020, in which it stated that the total debt due was Rs 2407 crore. In January 2021, IL&FS moved the Supreme Court, claiming HSVP had failed to comply with the HC order, citing several reasons.

Welcoming the SC decision, an IL&FS spokesperson said, "The order will go a long way in protecting the interest of investors by enforcing legitimate contracts in the infrastructure sector."

Talking to TOI, Nadim Akhtar advisor planning, HMRTC said he was yet to see the order: "I am suffering from Covid due to which I am yet to go through the order," he said.

The order was passed on Friday by a three-judge bench of justices DY Chandrachud, MR Shah and Sanjiv Khanna.