

FURTHER DELAY LIKELY

IL&FS Engineering pulls out of Ahmedabad Metro project

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THE CRISIS-hit IL&FS group has pulled out of the Phase-I of the Ahmedabad Metro project. One of the subsidiaries of the company, IL&FS Engineering, which had won a Rs 370-crore contract to construct viaduct on the second priority stretch on the North-South corridor that was expected to be commissioned by April, 2019.

In December 2015, IL&FS Engineering was awarded the Letter of Acceptance (LoA) for constructing 4.62 kilometer-long elevated stretch from Gyaspur depot's interface point to the Shreyas metro station on the 17.23 kilometer North-South corridor of the Ahmedabad Metro. This was the first construction contract to be awarded on this corridor.

"IL&FS Engineering was given the work of building the viaduct. About 70 per cent of the work was finished. In between, the company went through a restructuring process. They had stopped work at the metro site and a notice was sent to them that said that if you do not start work, then your contract will not be renewed. They have given a reply about 8-10 days ago and it appears they will not be able to restart the work," said a senior official from

EXPLAINED

E How IL&FS crisis could hit infra projects in Gujarat

RUNNING SHORT of cash, one of the country's key shadow banks, IL&FS Group owes Rs 53,000 crore to other banks. The pulling out from a Rs 370-crore project only signifies the deep financial crisis in the conglomerate that funds infrastructure projects in the country. Ahmedabad Metro is not the only project that has been affected by the crisis. With several projects being financed by the Group, the crisis could now spread to other projects, leading to delays.

IL&FS Group also holds stake in the Gujarat's government ambitious GIFT City project in Gandhinagar. Recently, the Gujarat government had even said that it was examining a proposal to buy the stake of IL&FS in the GIFT City project, the global financial hub that is still under development.

Metro-link Express for Gandhinagar and Ahmedabad (MEGA) company Ltd, which is constructing the Phase-I of the metro project. The contract also involved construction of four metro stations at APMC, Jivraj, Rajiv Nagar and Shreyas. "This was the second priority stretch that we were planning to start by April, 2019. But it appears it will be delayed by three-four months," the official said about the Ahmedabad Metro project for which the first DPR was prepared way back in 2005. The coming week, MEGA is expected

to take a decision on how to complete the 30 per cent of the remaining work on this stretch left incomplete by IL&FS. Officials said that MEGA company has already approached three or four contractors — who are currently doing similar kind of work for Ahmedabad Metro — to fill in for IL&FS.

Meanwhile, work on the first priority stretch of 6 kilometers between Vastral Gam and Apparel Park on the East-West corridor of the metro project is going on in full swing. The first of the 32 trains being imported from South Korea for

the project landed on Saturday at the Mundra port in Kutch. Engineers from South Korea and Japan are expected to arrive in the first week of January to test the first train at the Apparel Park Depot.

The MEGA officials are readying a trial run of the first train on the first priority stretch of 6 km after January 15. However, it is not yet decided if Prime Minister Narendra Modi, who will be visiting Gujarat for inauguration of the Vibrant Gujarat Summit on January 18, will be participating in the first trial run of the metro train.