

## DELHI HIGH COURT PASSES DIRECTIONS AGAINST UNION MINISTRY, GNCTD AND DMRC FOR ENFORCEMENT OF ARBITRAL AWARD IN FAVOUR OF DAMEPL



The Hon'ble Delhi High Court, on 17.03.2023, has rendered decision in the execution proceedings initiated by Delhi Airport Metro Express Ltd. (DAMEPL) against Delhi Metro Rail Corporation (DMRC). The following directions have been passed by the Hon'ble High Court:

- Union Ministry, i.e., Ministry of Housing and Urban Affairs as well as GNCTD shall forthwith attend to the request of DMRC for extension of Sovereign Guarantees, Subordinate Debt enabling it to liquidate its liabilities under the Arbitral Award dated 11.05.2017 and take a decision within a period of two weeks from the date of this Judgment.
- In the event such permission is accorded to DMRC, they shall proceed to deposit the entire amount payable under the Award along with upto date interest in terms thereof within a period of one month from the date of decision.
- In case the request of DMRC qua the Sovereign Guarantee and Subordinate Debt is declined, the Union Ministry shall forthwith, and at the end of period of two weeks, revert and repatriate all monies received by it from DMRC post 10.03.2022 pursuant to its directives so as to ensure the balance in total DMRC, total project and total other funds as the balance as it existed on 10.03.2022.
- Upon receipt of the same, such monies shall be forthwith transferred by DMRC to an Escrow Account, amount equal to the total amount payable in terms of the Award along with interest.
- In the event DMRC, GNCTD and the Union fail to comply and proceed in terms of the aforesaid directions, the entire amount standing to the credit of total DMRC, total Project, and total other funds as of 17.03.2023 shall stand attached forthwith without reference to Court.

- In case DMRC fails to clear all outstanding amounts payable in terms of the Award dated 11.05.2017, despite the directions set forth above, the Court reserves the right to frame further appropriate directions against Union Ministry and GNCTD consequent to corporate veil having been duly lifted as per the findings accorded hereinabove.

The background of the dispute is that DMRC was entrusted with work of preparing and implementing High Speed Airport Express Line Project (Project) between New Delhi to Dwarka Sector 21 via Terminal 3 of Indira Gandhi International Airport (IGI Airport) wherein the train would partly operate underground (16 kms) and partly overhead (7kms). Reliance Energy formed a Special Purpose Vehicle i.e., DAMEPL for the purpose of implementation of the Project and accordingly a Concession Agreement was executed between DAMEPL and DMRC. However, in 2012, disputes arose between parties, which led to DAMEPL terminating the contract on account of material breach of DMRC, for which an award for Rs 4600 Crores was issued in the Year 2017 in favour of DAMEPL.

DAMEPL was represented by Mr. Kapil Sibal, Sr. Adv who was assisted by the team of Agarwal Law Associates (Mr. Mahesh Agarwal, Mr. Rishi Agarwal, Ms. Megha Mehta, Ms. Niyati Kohli, Mr. Pranjit Bhattacharya, Ms. Manavi Agarwal) and SKV Law Offices (Mr. Shri Venkatesh, Mr. Suhael Buttan and Mr. Vineet Kumar).

The Judgment can be accessed [here](#)