

**GOVERNMENT OF INDIA
ROAD TRANSPORT AND HIGHWAYS
LOK SABHA**

UNSTARRED QUESTION NO:3897
ANSWERED ON:17.08.2010
PENALTY FOR CONCESSIONAIRES
Rathod Shri Ramesh;Singh Shri Sushil Kumar

Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

- (a) whether the Government has any proposal for imposing heavy penalties on concessionaires in case they do not adhere to the deadlines;
- (b) if so, the details and the penalty clauses being envisaged in this regard;
- (c) whether company which have been blacklisted for non adherence to deadlines would be allowed to bid for further road contracts; and
- (d) if so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS(SHRI R.P.N. SINGH)

(a) & (b): The Model Concession Agreement (MCA) document contains provisions for penalties on the Concessionaire in case they do not adhere to timelines and some of the important provisions are stated below:

S.No. Article Penalty prescribed

1. Article 4.3 Damages for delay by concessionaire.
2. Article 9.2 Appropriation of performance security.
3. Article 17.8 Damages for breach of maintenance obligations.
4. Article 24.2 Termination due to failure to achieve financial close.
5. Article 37.1 Termination for default of concessionaire.

(c) & (d): Contractors/Concessionaires placed in the list of non-performers, are not allowed to bid for further projects of the National Highways Authority of India (NHA), till their performance improves and their names are removed from the list of non-performers.