

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

UNSTARRED QUESTION NO:1030

ANSWERED ON:04.03.2013

LOSS IN PREMIUM SUFFERED BY NHAI

Adhalrao Patil Shri Shivaji; Adsul Shri Anandrao Vithoba; Dharmshi Shri Babar Gajanan; Sivasami Shri C.; Yadav Shri Dharmendra

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

(a) whether the National Highways Authority of India (NHA) is likely to face loss in premium upto Rs. 3,000 crore every year for at least two decades owing to two infrastructure majors quitting two big highway projects;

(b) if so, the facts in this regard; and

(c) the steps taken by the Government to regain the premium?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (SHRI SARVEY SATHYANARAYANA)

(a) & (b) It is not possible to ascertain loss at this juncture as National Highways Authority of India (NHA) has received termination notice for 6-laning of Kishangarh-Udaipur-Ahmedabad section of National Highway (NH) Numbers (Nos.) NH-79, NH-76 and NH-8 including the new Udaipur bypass from concessionaire M/s. GMR Kishangarh Udaipur Ahmedabad Expressways Limited and similarly in case of 4-laning of Shivpuri-Dewas section on National Highway NH-3 in the state of Madhya Pradesh, a termination notice is received from concessionaire M/s. GVK Shivpuri Dewas Expressway Private Limited. The work of 6-laning of Kishangarh-Udaipur-Ahmedabad section having a length of 555.5 kilometer (km) was awarded to M/s GMR Kishangarh Udaipur Ahmedabad Expressways Limited. The Concessionaire has committed to pay a sum of Rs. 636 crores per year with annual increment of 5% for a period of 26 years commencing from the Appointed Date. The work of 4 laning of Shivpuri-Dewas section on National Highway NH-3 in the state of Madhya Pradesh having project length of 332.46 km, Total Project Cost (TPC) of Rs. 2815 crore was awarded to M/s. GVK Shivpuri Dewas Expressway Private Limited. The concessionaire has quoted premium of Rs. 180.90 crores per year from the Commercial Operation Date (COD).

(c) The Concessionaire (M/s. GMR Kishangarh Udaipur Ahmedabad Expressways Limited ) of the project of Kishangarh-Udaipur-Ahmedabad issued a notice of his intention to terminate the project on 21.12.2012 under clause 37.2.2 of the Concession Agreement on ground that the Conditions Precedent had not been fulfilled by the NHA. Simultaneously, the Concessionaire filed a petition before Hon'ble High Court and obtained an ex-parte Order dated 28.12.2012 directing the parties to maintain status-quo till the next date of hearing. NHA filed its affidavit before Hon'ble High Court on 17.01.2013, with a prayer to vacate the interim order. NHA advised the Concessionaire to withdraw the illegal/untenable termination notice and co-operate with the NHA to achieve the Appointed Date of the project. Currently the matter is sub-judice and the next date of hearing is 30th April, 2013. Similarly, the Concessionaire ( M/s. GVK Shivpuri Dewas Expressway Private Limited) of the project of Shivpuri-Dewas approached the Hon'ble High Court of the Delhi against the probable encashment of Bank Guarantee. However before this incident, the NHA had already filed caveat in the Hon'ble High Court. On 11.01.2013, the concessionaire terminated the contract. NHA has submitted the detailed reply to the said termination by the concessionaire terming it as illegal and also stating that the event assumed as "force majeure", does not qualify to be defined "force majeure" event, as per the definition given in the concession agreement. The matter is sub-judice and next date of hearing is 08.03.2013.