

SPML Infra's subsidiary company Bhilwara Jaipur Toll Road wins Rs 191 crore interim relief under arbitration proceedings

Bhilwara Jaipur Toll Road has terminated the concession agreement on the ground of material default by state govt



Subhas Sethi, chairman, SPML.

by Team CW
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Bhilwara Jaipur Toll Road, a subsidiary company with 51% stake of SPML Infra, got Rs 191 crore interim relief under arbitration proceedings against state of Rajasthan. The 212 kilometer Bhilwara-Jaipur Toll Road was developed by the subsidiary company but with effect from 1st April

2018, Govt. of Rajasthan had exempted private vehicles to pay toll in 0-212 km toll road (state highway) from Jaipur to Bhilwara.

“Bhilwara Jaipur Toll Road had sought an interim relief under Section 17 of Arbitration Act to give award in the way that bank debt on state highway is taken over or settled by the State Govt and the toll road is taken back by the State Govt for onward operation and maintenance.

Due to this decision, the daily toll collection was badly affected and the company, Bhilwara Jaipur Toll Road has terminated the concession agreement on the ground of material default by state govt through a notice dated 3rd October, 2018. An arbitrator was appointed by the Hon'ble High Court of Rajasthan to resolve the matter.

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directing the state govt to deposit Rs.191 crore in bank escrow account and take possession of the toll road. The regular arbitration proceedings of this project under Section 34 of the Arbitration Act are going on and our claim of termination payment of Rs 578 crore is in process of hearings.

Subhash Sethi, chairman, SPML Infra, commented, “The arbitrator issued the order on the merits we have been maintaining that the action taken against our project was incorrect and violating provisions of the agreement. We are happy that our legitimate claims have been upheld in the arbitration. We are hopeful that our regular arbitration seeking compensation for damages caused by various measures imposed by the State Govt. will also be considered.”